FHLMC CONFORMING FIXED RATE — PRODUCT DESCRIPTION

PRODUCT DESCRIPTION	• First lien, fully amortizing, Freddie Mac Conforming Fixed Rate 10, 15, 20, 25, or 30 year term • See Product Descriptions for Texas A6 Home Equity
PRODUCT CODES	• FHLMC - Loan Product Advisor (LPA) **NOTE:** LPMI is Lender Paid MI, HP is Home Possible, HO is HomeOne, and EL is Extended Lock **10 Year Conforming Fixed Rate** • CF10-FHLMC, CF10-FHLMCLPMI • CF10-FHLMCHP, CF10-HPLPMI • CF10-FHLMCHO, CF10-HOLPMI, CF10-FHLMCHO-AMI • CF10-FHLMC-AMI **15 Year Conforming Fixed Rate** • CF15-FHLMC, CF15-FHLMCLPMI, CF15-FHLMC-Released, CF15-FHLMCLPMI-Released • CF15-FHLMCHP, CF15-HPLPMI, CF15-FHLMCHP-Released • CF15-FHLMCHO, CF15-HOLPMI, CF15-FHLMCHO-AMI, CF15-FHLMCHO-Released, CF15-FHLMCHO-AMI-Released • CF15-FHLMC-AMI, CF15-FHLMC-AMI-Released • CF15-FHLMC-LS **20 Year Conforming Fixed Rate** • CF20-FHLMC, CF20-FHLMCLPMI, CF20-FHLMC-Released, CF20-FHLMCLPMI-Released • CF20-FHLMCHP, CF20-HPLPMI, CF20-FHLMCHP-Released • CF20-FHLMCHO, CF20-HOLPMI, CF20-FHLMCHO-AMI, CF20-FHLMCHO-Released • CF20-FHLMC-AMI, CF20-FHLMC-AMI-Released **25 Year Conforming Fixed Rate** • CF25-FHLMC, CF25-FHLMCLPMI • CF25-FHLMCHP, CF25-HPLPMI • CF25-FHLMCHO, CF25-HOLPMI, CF25-FHLMCHO-AMI • CF25-FHLMC-AMI **30 Year Conforming Fixed Rate** • CF30-FHLMC, CF30-FHLMCLPMI, CF30-FHLMC-Released, CF30-FHLMCLPMI-Released • CF30-FHLMCHP, CF30-HPLPMI, CF30-FHLMCHP-Released • CF30-FHLMCHO, CF30-HOLPMI, CF30-FHLMCHO-AMI, CF30-FHLMCHO-Released, CF30-FHLMCHO-AMI-Released • CF30-FHLMC-AMI, CF30-FHLMC-AMI-Released • CF30-FHLMC-LS
ELIGIBLE STATES	• Please refer to Chapter 2 or the Overlay Matrix
GEOGRAPHIC RESTRICTIONS	• Texas: See Texas A6 Home Equity Product Description
MAXIMUM LTV/CLTV/HCLTV	• Follow Freddie Mac Eligibility Matrix for Loan Product Advisor (LPA) loans http://www.freddiemac.com/singlefamily/factsheets/sell/ltv_tltv.htm
MINIMUM LOAN AMOUNT	• None
MAXIMUM LOAN AMOUNT	• See Freddie Mac Loan Limits Page: https://sf.freddiemac.com/articles/news/loan-limit-values-for-2025

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CONVERSION OF PRIMARY RESIDENCE	• No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction.
CREDIT SCORE OVERLAY	• ≥620 with AUS Approval • Manual underwrite not allowed • At least one Borrower must have a credit score. Borrower(s) with no credit score and nontraditional credit are allowed subject to agency guidelines. • Please use the lowest middle representative credit score from the Borrower(s) with credit scores(s) when pricing the loan in the GEMS system. • For Conventional Released Loan Programs, all Borrowers must have a credit score. Non-traditional credit is NOT allowed.
DOWN PAYMENT	• Per agency and specific MI company guidelines.
DOWN PAYMENT ASSISTANCE	• All State and Local Government Down Payment Assistance programs must be reviewed and approved by Gateway First Bank. Gateway does not purchase Bond Program loans. • Click here for a current list of Gateway approved DPA programs • Some properties may qualify for Gateway Specialty Loan Programs with down payment assistance.
ESCROW HOLDBACKS	• Released Loans - Escrow Holdbacks NOT allowed. • Non-Released Loans - See Escrow Holdback Exception Request form for guidelines and case-by-case possible exception. • Non-Released Loans - If not approved, Escrow Holdback must be completed prior to loan purchase, as evidenced by satisfactory final inspection.
DTI	• LPA Accept/Accept

ESCROW WAIVERS	• Escrow waiver price adjustments for conforming loans may vary according to loan terms and state. See the SRP Schedule for specific escrow waiver price adjustments.
	• Escrow waivers for conforming loans are allowed for all states with LTV 80% or less if all items listed are met:
	  ◦ Flood Insurance is not required
	  ◦ Loan is not HPML
	• Allowed for all states (except California) with LTV >80% to <90% LTV if all items listed above are met, and also including the items listed below:
	  ◦ Maximum DTI 40%
	  ◦ Minimum Credit Score 720
	  ◦ Mortgage Insurance must be single premium (Lender or Borrower paid)
	  ◦ No bankruptcy, foreclosure, short sale, or short payoff dismissed, discharged or completed in last 3 years
	• California allowed on LTV >80% to <90% if all items listed are met:
	  ◦ Flood Insurance is not required
	  ◦ Mortgage Insurance must be single premium (Lender or Borrower paid)
	  ◦ Loan is not HPML
	• California allowed on LTV >80% to <90% if all items listed are met:
	  ◦ Flood Insurance is not required
	  ◦ Mortgage Insurance must be single premium (Lender or Borrower paid)
	  ◦ Loan is not HPML

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ESCROW WAIVERS (CON'T)	• If waiving escrow for taxes ONLY or hazard ONLY or if waiving for BOTH hazard insurance and taxes, the full Escrow waiver fee adjustment applies. Select "Yes" for Waive Escrows in GEMS. • Escrow waiver for flood insurance is not allowed for properties requiring flood insurance, however, even if flood insurance is required to be escrowed, waiving hazard insurance and taxes for the property is allowed and fees are charged as applicable. • Escrows for flood insurance will not be required for loans secured by property that is part of a condominium, cooperative, or other project development, if the property is covered by flood insurance provided by and paid for, as a common expense, by the condominium association, cooperative, homeowners association, or other applicable group.
INELIGIBLE PROPERTY TYPES	• See Overlay Matrix
INTEREST CREDIT AT CLOSING	• Cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.)
INVESTMENT PROPERTIES/ SECOND HOME	Follow Freddie Mac eligibility Matrix for Loan Prospector Advisor (LPA) loans http://www.freddiemac.com/singlefamily/factsheets/sell/ltv_tltv.htm EXCEPT • TRID rules apply requiring Loan Estimate and Closing Disclosure for all Second Homes and Investment Properties. • When the borrower does not own a primary residence, any investment property loan must qualify with full PITI payment. • Not Rental Income considered for any lease executed with a family member or interested party to the transaction. See also Non-Arm's Length and Primary Residence Conversion.
ITIN OVERLAY	• All borrowers must have a valid social security number; ITINs are not allowed.
MORTGAGE INSURANCE	Eligible Mortgage Insurers are Arch, Essent Guaranty, Enact, MGIC, National MI, and Radian. **Acceptable MI Types:** • Borrower Paid Monthly Premium • Borrower Paid Single Premium • Lender Paid Single Premium • Borrower Paid Split Premium • Borrower Paid Annual Premium **Unacceptable MI Types:** • Lender Paid Monthly Premium • Lender Paid Split Premium • Lender Paid Annual Premium **Single premium financed MI permitted, subject to:** • LPMI permitted per Agency Guidelines. Loan must be locked using the applicable LPMI product code. • Minimum or Reduced MI requiring a loan level price adjustment is not allowed regardless of LPA findings.
NATURAL DISASTER POLICY	• Please refer to Chapter 2 of our Client Guide - Eligible Mortgage Loans
NON-ARM'S LENGTH AND CONFLICT OF INTEREST	• See Overlay Matrix

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PRINCIPAL CURTAILMENT AT CLOSING	• See Overlay Matrix
QUALIFIED MORTGAGE LOAN	• For any loan that is subject to 12 CFR Section 1026.43, Gateway will only purchase the loan if (i) it meets the definition of a "Qualified Mortgage" as set forth in 12 CFR Section 1026.43(e) (2) Loan and (ii) complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the loan file transferred to Gateway. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan. • Loans that are not subject to 12 CFR Section 1026.43 will only be purchased if they meet all applicable agency and program guidelines. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.
THIRD PARTY ORIGINATIONS "TPOs"	• Gateway does not purchase loans originated through TPOs. (Client level exceptions may be considered for higher net worth Clients with TPO program established for at least 3 years; strong TPO controls must be demonstrated. Contact your Sales Manager for consideration.)
UNDERWRITING	• LPA Accept/Accept required. • Manual Underwriting not allowed. • If the Client elects to use third-party contract underwriting, a copy of the applicable individual contract underwriter's NMLS license must be provided unless the applicable state does note require such licensing. The Client remains solely and unequivocally responsible for all representations and warranties regardless of Client's election to use a contract underwriter.
FHLMC HOME POSSIBLE	HOME POSSIBLE • First lien, fully amortizing fixed rate community lending mortgage that offers underwriting flexibilities to qualified borrowers who meet specific income and home ownership criteria. • Occupying borrower must not have ownership interest in more than two financed properties, including subject. • Does not require FTHB. • LP must indicate approval, notating "Home Possible". • Purchase and No Cash-Out refinance transactions only. • 1-4 Unit • Max LTV/CLTV is 97%/97% • Secondary financing must be Affordable Seconds only for any Home Possible Loan. • If all borrowers are first time homebuyers (purchase transactions) then at least one borrower must participate in a homeownership education program before the note date.

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FHLMC HOME POSSIBLE (CON'T)	• Minimum Borrower Contribution
	  ◦ 1 Unit — None with when LTV/TLTV/HTLTV is ≤ 80%
	  ◦ 1 Unit — None with when LTV/TLTV/HTLTV is > 80% - ≤ 97%
	  ◦ 2-4 Unit — None with when LTV/TLTV/HTLTV is ≤ 80%
	  ◦ 2-4 Unit — 3% when LTV/TLTV/HTLTV is > 80% - ≤ 95%
	• Minimum Reserves:
	  ◦ 1 Unit — None
	  ◦ 2-4 Unit — Two Months
	• Income Restrictions:
	  ◦ For Loan Prospector Mortgages, Loan Prospector will determine the income eligibility of the Mortgage; for Non-Loan Prospector Mortgages, the Seller should use the Affordable Income & Property Eligibility tool.
	  ◦ The borrowers' annual income cannot exceed 80% of the area median income limits or a higher percentage in designated high cost areas as indicated in Guide Section A34.7. No income limits apply if the mortgaged premises is located in an Under-served Area. Seller must attempt to verify all income reported on the Uniform Residential Loan Application. All reported income that is verified and meets the criteria for stable monthly income must be used to qualify the borrower and submitted to the loan.

FHLMC HOME POSSIBLE Very Low-Income Program (VLIP)	• Home Possible Guidelines must be met • Borrower annual income cannot exceed 50% of the area median income limits • Must be Primary Residence • Must be Purchase Transaction • At least one borrower must be a first time homebuyer • Homebuyer Education required if one borrower is first time homebuyer and must be completed prior to loan closing • Closing Disclosure Page 3 Section L must show $2500 HomePossible credit to the borrower • FHLMC and FNMA UCD Findings must show $2500 VLIP credit to the borrower • Funds can be used towards closing costs and/or down payment • Loans delivered to FHLMC must include IFI Code K10 **NOTE:** VLIP is approved by the Agencies for loans purchased thru February 28, 2027. Gateway will require VLIP loans purchased by January 31, 2027, to allow time for delivery to the applicable agency.

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FHLMC HOMEONE	• A low down payment option that serves the needs of more first-time home-buyers, along with no cash out refinance borrowers. • Purchases and no cash-out refinances • No borrower geographic or income limits • Home-buyer education required for purchase transactions when all borrowers are first-time homebuyers. • One-unit properties with fixed rate financing only. • Standard 35% mortgage insurance coverage required for LTVs >95% • Allows both Affordable Seconds and other secondary financing per single-Family Seller/Servicer/Guide Bulletin requirements
LLPA Waiver Programs	• Loan Program Code: CF10-FHLMC-AMI, CF15-FHLMC-AMI, CF20-FHLMC-AMI, CF25-FHLMC-AMI, CF30-FHLMC-AMI • This program waives LLPAs. • To qualify a borrower must be first-time homebuyer and < 100% AMI or < 120% AMI for high-cost area and allows an LTV up to 95%. • Property primary residence • Purchase Transactions

Each loan must fully comply with all Agency Guide requirements unless otherwise specifically noted above. Clients with access to AllRegs can access the entire Fannie Mae Seller Guide and Freddie Mac Seller Guide. For your added convenience, specific Fannie Mae and Freddie Mac Guidelines may also be accessed from each Agency's website at the following links:

Freddie Mac Seller Guide: https://www.freddiemac.com/singlefamily/guide/

Freddie Mac Home Possible Program Information: https://sf.freddiemac.com/faqs/home-possible-mortgages-faq
Freddie Mac Home Possible At-a-Glance:
https://sf.freddiemac.com/docs/pdf/fact-sheet/sf-fm-homepossible-mortgage.pdf
Freddie Mac HomeOne Information:
https://sf.freddiemac.com/working-with-us/origination-underwriting/mortgage-products/home-one

Freddie Mac HomeOne Fact Sheet: https://sf.freddiemac.com/faqs/homeone-mortgage-faq