



October 8, 2018 | The AFR 411 2018-19

American Financial Resources, Inc.



Attention: All AFR Lending Partners

Topics in this edition of The AFR 411 include:

- **Freddie Mac HomeOneSM Program**
- **Freddie Mac Selling Guide Update**
- **Fannie Mae Selling Guide Update**

Freddie Mac HomeOneSM

AFR is proud to announce the addition of the Freddie Mac HomeOneSM to the Freddie Mac Program offerings. This Program is available for application dates (Consumer Direct (Retail) Division) and submission dates (Wholesale and Correspondent Divisions) as of **October 19, 2018**.

HomeOneSM is Freddie Mac's newest low-down payment option that will serve the needs of more First-Time Homebuyers. This offering complements Freddie Mac's Home Possible[®] offering by providing a low-down payment financing option for Borrowers **without** specific income or geographic restrictions.

See the AFR Lending Library for all overlays and guidelines for the Freddie Mac HomeOneSM Mortgage Program.

Freddie Mac Selling Guide Update

AFR will be following the guidance announced in [Bulletin 2018-15](#)

- Self-employment income, when disclosed in the Mortgage file but is not used to qualify the Mortgage, additional documentation to evaluate the **income or loss** from the self-employment is not required for each Borrower who:
 - Has a primary source of income, other than self-employment, used for qualifying the mortgage (e.g., salaried income from primary employment), and

- Is self-employed, and the self-employment income is a secondary source of income.
- Super Conforming Mortgages, effective for Mortgage with Settlement Dates on and after December 19, 2018
 - Loan Product Advisor is being updated to assess super conforming Mortgages with original loan amounts greater than \$1,00,000. As a result, Freddie Mac will no longer require that these Mortgage be manually underwritten. All super conforming Mortgage, regardless of original loan amount, must be submitted to loan Product Advisor.
 - Loan Product Advisor will be updated by December 19, 2018 to reflect this change.
- Special Borrower Eligibility for Mortgaged Premises occupied by Borrower's parent or disabled child.
 - A Borrower may be considered an occupying Borrower, if the Mortgage Premises is occupied as a Primary Residence by an individual(s) who:
 - Is the Borrower's parent(s), or
 - Has a physical or developmental disability and the Borrower is the individual(s)'s parent or legal guardian.
 - LPA, in "Declarations" section, may be selected as "Yes" for the question, "Does the Borrower intend to occupy the property as his/her primary residence?"

Fannie Mae Selling Guide Update

AFR will be following the guidance announced in [SEL-2018-08](#)

- Union Members: Fannie Mae has clarified the policies related to employment verification to address Borrower who work in occupations that result in series of short-term job assignments (such as skilled construction worker, longshoreman, or stage hand), where a union facilitates the Borrower's placement in each assignment. In these cases, the Selling Guide now permits this type of union to provide:
 - The verbal verification of employment for a union member who is currently employed, and
 - An executed employment offer or contract for future employment for a union member who is not scheduled to begin employment until after the loan closes. All other existing requirements for employment offer or contracts described in B3-3.1-09, Other Sources of income, apply.