



Freddie Mac GreenCHOICE Mortgages Product Summary and Guide: Correspondent

Newrez overlays are identified with yellow highlighting

ELIGIBILITY MATRIX						
Excludes Manufactured Housing and Co-ops						
Units	Transaction Type	Occupancy	Credit Score ²	Fixed Rate	ARM	DTI
				LTV/CLTV	LTV/CLTV	
1	Rate & Term Refi	Primary Residence	580	97% ¹	95%	Per LPA
1				95%		
2-4				95%	95%	
1	Rate & Term Refi	Second Home	580	90%	90%	
1	Rate & Term Refi	Investment Properties	580	85%	85%	
2-4	Rate & Term Refi		580	75%	75%	

¹95.01%-97% LTV (HomeOne Mortgage)

- Freddie Mac Conforming Fixed Rate
- Maximum 105% CLTV with Affordable Second
- Refinance
 - Current mortgage being refinanced must be owned by Freddie Mac
 - [Freddie Mac Loan Lookup tool](#)
- Non-occupant co-borrower not permitted

²Minimum Credit Score 600 when LTV is > 80% due to MI company minimum credit score requirements

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MANUFACTURED HOUSING ELIGIBILITY MATRIX						
Units	Transaction Type	Occupancy	Credit Score ²	Fixed Rate	ARM	DTI
				LTV/CLTV	LTV/CLTV	
1	Rate & Term Refi	Primary Residence	580	95%	95%	Per LPA
		Second Home ¹		85%	85%	
Not permitted <ul style="list-style-type: none"> • 5/6 ARM ¹ Not permitted for Single-wide <ul style="list-style-type: none"> • Second homes ² Minimum Credit Score 600 when LTV is > 80% due to MI company minimum credit score requirements						

CO-OP ELIGIBILITY MATRIX						
Units	Transaction Type	Occupancy	Credit Score ³	Fixed Rate	ARM	DTI
				LTV/CLTV ¹	LTV/CLTV ¹	
1	Rate & Term Refi	Primary Residence	580	97% ²	95%	Per LPA
		Second Home		90%	90%	
¹ Freddie Mac: Subordinate financing permitted on primary residence only ² 95.01%-97% LTV (HomeOne Mortgage) <ul style="list-style-type: none"> • Freddie Mac Conforming Fixed Rate • Rate & Term Refinance <ul style="list-style-type: none"> ○ Current mortgage being refinanced must be owned by Freddie Mac ○ Freddie Mac Loan Lookup tool • Non-occupant co-borrower not permitted ³ Minimum Credit Score 600 when LTV is > 80% due to MI company minimum credit score requirements						

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1. Loan Terms
2. Product Codes
3. ARM Information
4. Temporary Buydown
5. HPML
6. QM Rebuttable Presumption
7. Net Tangible Benefit (NTB)
8. Loan Limits
9. Eligible AUS Decision
10. Ineligible AUS Decisions
11. No Borrower Has a Credit Score
12. Not All Borrowers Have a Credit Score
13. Manual Underwrite
14. Qualifying Rate
15. Types of Financing
16. Incidental Cash Back
17. Eligible Subordinate Financing
18. Occupancy
19. Eligible Property Types
20. Ineligible Program
21. Ineligible Property Types
22. State Requirement
23. Eligible Borrowers
24. Housing Payment History
25. IRS Form 4506-C
26. Number of Financed Properties
27. Appraisals
28. Escrow Waivers
29. Principal Curtailment
30. MI Eligible Providers
31. MI Eligible Programs
32. MI Ineligible Programs
33. MI Coverage
34. Revision History

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1. Loan Terms	<ul style="list-style-type: none"> Fixed Rate: 15 to 30-year terms in annual increments ARMs: 30-year term 				
2. Product Codes	2552 GreenCHOICE 15 Year Fixed				
	2553 GreenCHOICE 20 Year Fixed				
	2554 GreenCHOICE 30 Year Fixed				
	2555 GreenCHOICE 30 Yr Fixed w/Afford 2nd				
	2597 GreenCHOICE 5/6 SOFR ARM 2-1-5				
	2598 GreenCHOICE 7/6 SOFR ARM 5-1-5				
	2599 GreenCHOICE 10/6 SOFR ARM 5-1-5				
3. ARM Information	ARM Plan IDs	5/6- #4927			
		7/6- #4928			
		10/6-#4929			
	Index	The 30-day average of the overnight Secured Overnight Financing Rate (SOFR) as published by the Federal Reserve Bank of New York			
	Margin	3.00% and 2.75%			
	Life Floor	The floor is the margin			
	Interest Rate Caps and Adjustments	Product	First	Subsequent	Lifetime
		5/6	2%	1%	5%
		7/6 & 10/6	5%	1%	5%
	Change Date	5/6	The first Change Date is the 61 st payment due date. Subsequent Change Dates are every six months thereafter		
		7/6	The first Change Date is the 85 th payment due date. Subsequent Change Dates are every six months thereafter		
10/6		The first Change Date is the 121 st payment due date.			

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			Subsequent Change Dates are every six months thereafter
	Conversion Option	Not available	
4. Temporary Buydown	Not permitted		
5. HPML	Permitted		
6. QM Rebuttable Presumption	<ul style="list-style-type: none"> • Rebuttable Presumption <ul style="list-style-type: none"> ○ AUS Accept ○ Max 43% DTI or 120% VA Residual Income ○ All federal and state HPML loan requirements are met 		
7. Net Tangible Benefit (NTB)	<p>NTB is required for all refinance transactions per state and local requirements.</p> <ul style="list-style-type: none"> • Delegated Clients are responsible for determining when Net Tangible Benefit must be met • Non-Delegated Client <ul style="list-style-type: none"> ○ AK, AR, CO, CT, IL, NM, NC, OH, SC and VA: Must complete the Generic NTB Test ○ ME, MD, MA, MN, RI and WV: Complete the state specific forms as required by the state ○ For all other states, no NTB test is required • Refer Newrez Net Tangible Benefit (NTB) Worksheets 		
8. Loan Limits	https://www.fanniemae.com/singlefamily/loan-limits https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limit.aspx		
9. Eligible AUS Decision	LPA Accept per Freddie Mac guidelines		
10. Ineligible AUS Decisions	LPA Caution		
11. No Borrower Has a Credit Score	<p>No Borrower Has a Credit Score</p> <ul style="list-style-type: none"> • Fixed Rate • LPA Accept • Primary Residence • 1-unit • Rate & Term Refi • Maximum 95% LTV/CLTV/HCLTV 		

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	<ul style="list-style-type: none"> All borrowers must occupy the property <p>See Section 1F.5 Nontraditional Credit in the Credit Section of the Underwriting Guide for further details</p>
12. Not All Borrowers Have a Credit Score	<p>Not all Borrowers Have a Credit Score</p> <ul style="list-style-type: none"> LPA Accept One borrower must have usable credit score, as determined by LPA Primary Residence 1-unit All borrowers must occupy the property Rate& Term Refi <p>See Section 1F.5 Nontraditional Credit in the Credit Section of the Underwriting Guide for further details</p>
13. Manual Underwrite	Not permitted
14. Qualifying Rate	<ul style="list-style-type: none"> Fixed Rate: Note rate ARM: 5/6 ARM: Greater of the Fully Indexed Rate or the Note Rate + 2% 7/6 and 10/6 ARM: Qualify at Note Rate for loans that are not HPML <ul style="list-style-type: none"> Higher Priced Mortgage Loans (HPML): Qualify at the Higher of the Note Rate or Fully Indexed Rate
15. Types of Financing	Rate & Term Refinance (No Cash-out Refinance)
16. Incidental Cash Back	<ul style="list-style-type: none"> Maximum incidental cash back to the borrower is the greater of 1% of the loan amount or \$2,000
17. Eligible Subordinate Financing	<ul style="list-style-type: none"> Existing subordinate financing New subordinate financing
18. Occupancy	<ul style="list-style-type: none"> Primary residence Second home

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	<ul style="list-style-type: none"> • Investment properties
19. Eligible Property Types	<ul style="list-style-type: none"> • 1-4 units • Condos <ul style="list-style-type: none"> ○ Must be reviewed by PRD (Non-Delegated Clients) • Co-ops <ul style="list-style-type: none"> ○ NYC: Five Boroughs (Bronx, Brooklyn, Manhattan, Queens, and Staten Island) and Nassau, Rockland, Suffolk, and Westchester counties ○ NJ: Bergen, Essex, and Hudson counties ○ IL: Cook county ○ Philadelphia County-Client must be approved ○ Must be reviewed by PRD and include a Project Submission Form and all required documents • Leasehold estates • Manufactured housing • Modular home • PUDs
20. Ineligible Program	<ul style="list-style-type: none"> • Freddie Mac Super Conforming • Freddie Mac CHOICEHome
21. Ineligible Property Types	<ul style="list-style-type: none"> • Condo hotels • Non-warrantable condos • Properties with a C5 and C6 condition rating
22. State Requirement	Minimum Loan Amount \$10,000 in the state of Michigan
23. Eligible Borrowers	<ul style="list-style-type: none"> • U.S. citizens • Permanent resident alien • Non-permanent resident alien • Inter vivos revocable trust: Trusts must be approved by Newrez legal (Non-Delegated Clients) <p>Newrez will not purchase loans from Principal/Owners of Newrez Correspondents.</p>

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24. Housing Payment History	<ul style="list-style-type: none"> Inclusive of all liens regardless of position Applies to all mortgages on all financed properties Follow LPA Accept 											
25. IRS Form 4506-C	<ul style="list-style-type: none"> Prior to Underwriting (NewRez underwritten loans) <ul style="list-style-type: none"> Signed 4506-C for each borrower whose income must be documented with tax returns and used for qualification (self-employment, rental income, etc.) At Closing (all loans) <ul style="list-style-type: none"> 4506-C for each borrower whose income is used to qualify (regardless of income type) must be signed at closing even if LPA AIM waives the requirement 4506-C for the business tax return transcript(s) must be signed at closing when the business returns are used for qualification even if LPA AIM waives the requirement 											
26. Number of Financed Properties	<ul style="list-style-type: none"> Primary Residence : No limitation Second Home & Investment Properties <ul style="list-style-type: none"> Ten financed properties New multiple loans must be underwritten simultaneously 											
27. Appraisals	Mortgages used to pay an Existing Debt <ul style="list-style-type: none"> Interior and exterior inspection appraisal is required. The appraisal must reflect all eligible improvements that were made. 											
28. Escrow Waivers	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Escrow Waiver Eligibility</th> </tr> <tr> <th style="width: 33%;">Primary Residence</th> <th style="width: 33%;">Second Home</th> <th style="width: 33%;">Investment Property</th> </tr> </thead> <tbody> <tr> <td> Max LTV ≤ 80% <ul style="list-style-type: none"> CA: LTV ≤ 90% NM: LTV < 80% </td> <td> Max LTV ≤ 80% <ul style="list-style-type: none"> CA: LTV ≤ 90% </td> <td> All states LTV ≤ 80% </td> </tr> </tbody> </table>			Escrow Waiver Eligibility			Primary Residence	Second Home	Investment Property	Max LTV ≤ 80% <ul style="list-style-type: none"> CA: LTV ≤ 90% NM: LTV < 80% 	Max LTV ≤ 80% <ul style="list-style-type: none"> CA: LTV ≤ 90% 	All states LTV ≤ 80%
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29. Principal Curtailment	A principal curtailment is permitted up to the lesser of 2% of the loan amount or \$2,500											
30. MI Eligible Providers	MI company must be acceptable to Freddie Mac											
31. MI Eligible Programs	Borrower Paid Mortgage Insurance <ul style="list-style-type: none"> Monthly plans 											

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	<ul style="list-style-type: none"> • Annual plans • Single-premium plan • Split-premium (Upfront Premium Financing not permitted) • Financed MI <ul style="list-style-type: none"> ○ 1-unit <ul style="list-style-type: none"> ○ Primary residence and second homes ○ Rate & Term Refinance ○ MI coverage is based on LTV excluding financed premium ○ LTV including financed premium may not exceed LTV limitations for product 																								
32. MI Ineligible Programs	<ul style="list-style-type: none"> • Lender Paid Mortgage Insurance <ul style="list-style-type: none"> • Lender-paid annual plans • Lender-paid monthly plans • Custom mortgage insurance 																								
33. MI Coverage	<ul style="list-style-type: none"> • Private Mortgage Insurance is required for all loans >80% LTV • Consult individual MI company guidelines <table border="1" data-bbox="368 1328 1528 1937"> <thead> <tr> <th data-bbox="368 1328 936 1375">LTV</th> <th data-bbox="936 1328 1528 1375">Standard Coverage</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="368 1375 1528 1422" style="text-align: center;">All ARMS and all Standard Manufactured Homes</td> </tr> <tr> <td colspan="2" data-bbox="368 1422 1528 1469" style="text-align: center;">All Fixed Rate with >20-year Term</td> </tr> <tr> <td data-bbox="368 1469 936 1516">95.01% to 97%</td> <td data-bbox="936 1469 1528 1516">35%</td> </tr> <tr> <td data-bbox="368 1516 936 1563">90.01% to 95%</td> <td data-bbox="936 1516 1528 1563">30%</td> </tr> <tr> <td data-bbox="368 1563 936 1610">85.01% to 90%</td> <td data-bbox="936 1563 1528 1610">25%</td> </tr> <tr> <td data-bbox="368 1610 936 1657">80.01% to 85%</td> <td data-bbox="936 1610 1528 1657">12%</td> </tr> <tr> <td colspan="2" data-bbox="368 1657 1528 1751" style="text-align: center;">Fixed Rate with ≤ 20-year Term (No ARMS and no Standard Manufactured Homes)</td> </tr> <tr> <td data-bbox="368 1751 936 1798">95.01% to 97%</td> <td data-bbox="936 1751 1528 1798">35%</td> </tr> <tr> <td data-bbox="368 1798 936 1845">90.01% to 95%</td> <td data-bbox="936 1798 1528 1845">25%</td> </tr> <tr> <td data-bbox="368 1845 936 1892">85.01% to 90%</td> <td data-bbox="936 1845 1528 1892">12%</td> </tr> <tr> <td data-bbox="368 1892 936 1937">80.01% to 85%</td> <td data-bbox="936 1892 1528 1937">6%</td> </tr> </tbody> </table>	LTV	Standard Coverage	All ARMS and all Standard Manufactured Homes		All Fixed Rate with >20-year Term		95.01% to 97%	35%	90.01% to 95%	30%	85.01% to 90%	25%	80.01% to 85%	12%	Fixed Rate with ≤ 20-year Term (No ARMS and no Standard Manufactured Homes)		95.01% to 97%	35%	90.01% to 95%	25%	85.01% to 90%	12%	80.01% to 85%	6%
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34. Revision History		
Section	Update	Date
	New Product	06.01.2026

1A.1 Use of Mortgage Proceeds

The Mortgage proceeds must be used as follows:

- For a **Rate & Term Refinance “no cash-out” Mortgage**, to finance the:
 - Payment (in whole or in part) towards an existing debt incurred by the Borrower to finance the purchase, installation, repair or upgrade of eligible improvements (such debt, an “Existing Debt” for purposes of this chapter), completed before the Note Date

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1A.2 Eligible Improvements

Eligible Improvements means:

- Energy and/or water efficiency improvements, including:
 - Renewable energy sources (e.g., solar panels, hydropower systems, wind turbines and geothermal systems)
 - ENERGY STAR Energy Efficient Products listed at <https://www.energystar.gov/products/products-list>
 - Electrification improvements (e.g., replacing equipment or appliances that run on natural gas or other combustible fuel with efficient, all-electric technologies)
- Health and safety improvements (e.g., building-code compliance if cited by the applicable jurisdiction)
- Resiliency and preventative improvements to either repair natural disaster damage or improve a home's ability to withstand future natural disasters
- Basic improvements, such as:
 - Adding ceiling, wall or floor insulation
 - Air conditioning/heating replacement with high efficiency
 - Air sealing
 - Caulking or weather stripping
 - Heat pumps and induction cooktops
 - High efficiency refrigerators/freezers, water heaters and light bulbs
 - Hurricane fabric or shutters
 - Low-flow water fixtures
 - Programmable thermostats
 - Solar water heaters
 - Ventilation; radon mitigation; and asbestos, mold or lead abatement
 - Window and door replacement

Eligible improvements must:

- Be permanently affixed to the property, except for:
 - Appliances used in a kitchen, laundry room or utility room
 - Health and safety improvements
- Not impact the structural integrity of the property for Mortgages secured by Manufactured Homes

1A.3 Determining Value

- The value used to calculate the LTV/CLTV and HCLTV ratio
 - Rate & Term Refinance "No cash-out" used to pay an Existing Debt

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- The value is the appraised value of the Mortgaged Premises.

1A.4 Mortgages used to pay an Existing Debt

When the Mortgage proceeds are used to pay an Existing Debt:

1. **Use of proceeds:** The maximum payment towards an Existing Debt is limited to 15% of the appraised value of the Mortgaged Premises
2. **Remaining Existing Debt:** Any remaining balance of the Existing Debt must be included in the calculation of the monthly debt payment-to-income ratio. If the remaining balance is re-amortized, the lender must obtain and retain in the Mortgage file sufficient documentation evidencing the new payment, including a copy of the new promissory note, if applicable.
3. **Settlement/Closing Disclosure Statement requirements:** The Settlement/Closing Disclosure Statement must reflect that the proceeds were paid directly to the holder of the Existing Debt. The total amount of proceeds disbursed to the Borrower at closing must not exceed the maximum amount allowed pursuant to the Rate & Term Refinance “no cash-out” Mortgage requirements.
4. **Mortgage file documentation:** The Mortgage file must include documentation (e.g., invoices, receipts) of the eligible improvements completed before the Note Date and their costs
5. **Appraisal:** An interior and exterior inspection appraisal is required. The appraisal must reflect all eligible improvements that were made.
6. An **energy report** is not required for a “no cash-out” refinance mortgage used to pay an existing debt

1A.5 Refinance subject to PACE or PACE-like Transactions

- A Property Assessed Clean Energy (PACE) or PACE-like obligation refers to any energy retrofit loan that is:
 - Used to finance energy efficiency improvements, and
 - Repaid through a property tax assessment
- For the Rate & Term Refinance of Mortgages secured by properties subject to PACE obligations that result in or provide for First Lien priority and where the PACE obligations are paid off with the Mortgage proceeds, the following requirements apply:
 - The new refinance Mortgage must be originated in accordance with the requirements of Rate & Term Refinances
 - The Mortgage being refinanced must be owned in whole or in part or securitized by Freddie Mac
 - The PACE obligation must be paid in full

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- The Mortgage file must include evidence that the obligation being paid off is a PACE obligation that results in or provides for First Lien priority
- Newrez must deliver ULDD Data Point *Investor Feature Identifier* valid value “H61” when delivering a Freddie Mac-owned “Rate & Term Refinance Mortgage used to pay a PACE obligation.

1A.6 Properties with Solar Panels

The Lender must take into consideration ownership of the solar panels and any liens upon the property relating to debt or lease payments used to obtain the solar panels. For example, solar panels not owned by the Borrower can be financed via several types of agreements such as lease agreements or a power purchase agreement (PPA).

The lender must also review any UCC-1 Financing Statement or lease agreement associated with the solar panels to determine if liens are against the real estate or against the solar panels. The property must maintain access to electrical utilities consistent with community standards.

If solar panels are present on the Mortgaged Premises, the lender must follow the requirements outlined in the table below:

Properties with solar panels					
	PPA	Solar panel lease	Solar panels financed as personal property	Solar panel financed as a fixture to real estate	Solar panels owned free and clear
Description	The Borrower purchases power produced by the solar panels but does not own the solar panels.	The Borrower pays monthly lease payments to access the solar panels but does not own them.	The Borrower owns the solar panels, having purchased them with a note/security agreement and is entitled to power produced by the panels.		Borrower owns the solar panels and has no related debt.
Title	UCC-1 Financing Statement or lease agreement associated with the solar panels recorded in the applicable land records and claiming an interest in the solar panels but not the real estate; the lender is not required to obtain a subordination agreement of the UCC-1 Financing Statement.			UCC-1 Financing Statement recorded against title to the Mortgaged Premises, creating a lien on the real estate itself (i.e.,	There must be no UCC-1 Financing Statement or notice recorded against the Mortgage Premises.

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			claiming an interest in both the solar panels and the real estate, not just the solar panels); the lender must either subordinate or release this lien.	In the event there is a UCC-1 Financing Statement, it must be released
Appraisal	<p>The solar panels must not be included in the appraised value of the property.</p> <p>The appraiser must comment on the marketability of the home with solar panels present and identify the panels and system features.</p>		The solar panels must not be included in the appraised value of the property if the lender may repossess them for default on the financing terms.	Lender must ensure the appraiser has recognized the existence of the solar panels and considered the solar panels in the appraiser's opinion of the market value of the property.
Debt payment-to-income (DTI) ratio	<p>Lease payments for solar panels may be excluded from the monthly DTI ratio if the lease:</p> <ul style="list-style-type: none"> Provides for delivery of a specific amount of energy for an agreed upon payment during a given period, and Includes a production guarantee under which the Borrower is compensated on a prorated basis when the solar panel energy production falls below the 	Payment to solar company or lender is included in the DTI ratio.	Payment to solar company or lender is included in the DTI ratio.	N/A – no payment required

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	<p>level required by the lease agreement</p> <p>Payments for solar panels subject to a PPA or similar type of agreement may be excluded from the monthly DTI ratio if the payment is calculated based only on the generated energy.</p>			
Total loan-to-value (TLTV) ratio	Not included in the TLTV ratio	Included in the TLTV ratio		N/A
Obtain a copy of the lease, PPA or note/security agreement	<p>Damage that occurs as a result of installation, malfunction or the removal of the solar panels is the responsibility of the owner of the equipment. The owner must be obligated to repair the damage and return the improvements to their original or prior condition.</p> <p>In the event of foreclosure, the Lender may:</p> <ul style="list-style-type: none"> • Terminate the lease agreement or PPA and require the owner of the equipment to remove the panels and supporting equipment • Become the beneficiary of the Borrower's lease agreement or PPA without incurring a transfer fee; or • Enter into a new lease agreement or PPA with the owner of the equipment under terms no less favorable than the existing agreement • The Mortgage file must contain a copy of the lease agreement, PPA or similar type of agreement, as applicable 			N/A
Homeowner's insurance	The owner of the solar panels agrees to not be a loss payee (or named insured) on the homeowner's insurance policy covering the property.			N/A

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