



# Home Possible Conforming Program Guidelines

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## Section 1 Program Summary

The Program Guidelines supplement Plaza’s Credit Guidelines. Refer to Freddie Mac’s Selling Guide for any information not specified in the Program Guidelines and Credit Guidelines.

Home Possible® is a Freddie Mac Community Lending program designed to meet the needs of low and moderate income borrowers by providing financing up to 97% LTV with reduced borrower requirements.

## Section 2 Product Codes

Product Name	Product Code	Available Term in Months
Home Possible 15 Year Fixed	CF15HP	121-180
Home Possible 20 Year Fixed	CF20HP	181-240
Home Possible 30 Year Fixed	CF30HP	241-360
Home Possible 30 Year Fixed w/2-1 Buydown	CF30HPBD21	360
Home Possible 30 Year Fixed w/1-0 Buydown	CF30HPBD10	360

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### Section 3 Program Matrix

HOME POSSIBLE CONFORMING				
Primary Residence				
Purchase and Rate/Term Refinance				
Property Type	LTV	CLTV	Min Credit Score	Max DTI
1 Unit	97% <sup>1</sup>	105% <sup>1</sup>	Per LPA & MI	Per LPA & MI
1 Unit	95%	95% <sup>2</sup>	Per LPA & MI	Per LPA & MI
2-4 Units	95%	95% <sup>2</sup>	Per LPA & MI	Per LPA & MI
Co-op	95%	95%	Per LPA & MI	Per LPA & MI
Manufactured Housing	95%	95%	Per LPA & MI	Per LPA & MI

1. LTV > 95% requirements:

- 1 unit only. Manufactured housing not allowed.
- CLTV up to 105% is permitted when secondary financing is an Affordable Second.
- All borrowers must occupy the property.

2. CLTV up to 105% is permitted when secondary financing is an Affordable Second.

### Section 4 Occupancy

Owner-occupied primary residences

Non-occupant borrowers are permitted on mortgages secured by 1-unit properties up to a maximum 95% LTV

### Section 5 Transactions

- Purchase
- Rate/Term Refinance

**Refinances of Properties Listed for Sale:** Rate/Term Refinance: Listing agreement must be cancelled at least 1 day prior to the loan application.

Refer to the Loan Purpose sections in Freddie Mac's Selling Guide for additional details.

### Section 6 Property Flips

Generally, purchases of properties that have been acquired within the last 12 months are eligible when an increase in value can be supported.



## Section 7 Identity of Interest

Plaza uses the term Identity of Interest and Non-Arm's Length to describe certain transactions that pose increased risk and warrant additional precautions when evaluating that risk.

Primary residences may be eligible with additional restrictions.

## Section 8 Loan Limits

Conforming Agency Loan Limits		
Units	Contiguous U.S.	Alaska & Hawaii
1	\$832,750	\$1,249,125
2	\$1,066,250	\$1,599,375
3	\$1,288,800	\$1,933,200
4	\$1,601,750	\$2,402,625

The above table provides the maximum loan limits by property type. For county specific loan amounts, refer to the [FHFA website](#).

## Section 9 Subordinate Financing

Subordinate Financing is allowed per the LTV/CLTV & Credit Score Tables.

- Subordinate/secondary financing is allowed from approved Affordable Second loans and, if LTV/CLTV  $\leq$  97%, from institutional closed-end seconds.
- Loans exceeding 97% LTV/CLTV must be an Affordable Second to a maximum of 105%.
- Manufactured Housing is limited to 95% CLTV.

Affordable Seconds cannot be HELOCs, funded by the property seller, a non-institutional source or an interested party to the transaction. Refer to [Freddie Mac Affordable Secondary Financing](#) for requirements.



### Eligible Borrowers:

- U.S. citizens
- Permanent resident aliens
- Non-permanent resident aliens
- Inter Vivos Revocable Trusts – Refer to Plaza's **Living Trust Policy**
- First-Time Homebuyers
- Non-occupant co-borrowers (1-unit properties only and maximum 95% LTV)

### Homebuyer Education:

- Prior to the date of the Note, a minimum of 1 borrower on the loan must complete an approved homebuyer education program if all borrowers are first-time homebuyers.
- For all other scenarios, participation is recommended but not required.
- 2-4 Units:
  - Purchase Transactions: At least one qualifying borrower must participate in a landlord education program before the Note Date. A copy of a certificate evidencing successful completion of the landlord education program must be retained in the loan file.
  - Refinance Transactions: Landlord education is not required but is recommended for borrowers who have not previously attended a program.
- All pre-purchase homebuyer education and counseling must meet the standards defined by the **National Industry Standards for Homeownership Education and Counseling**. Counseling and education sessions that adhere to these standards are deemed acceptable. All pre-purchase homebuyer education and counseling must be provided by a third party that is independent of the lender. Face-to-face group education and counseling is encouraged; however, telephone and online counseling is also permitted from eligible providers.
- Programs using Freddie Mac's CreditSmart® financial education curriculum, provided modules 1, 2, 7, 11 & 12 are included, or access the **Credit Smart-Steps to Homeownership Tutorial**.
- Documentation must be provided to demonstrate borrower(s) have complied with this requirement. Such documentation may be a certificate or letter from the provider.

### Ineligible Borrowers:

- Partnerships
- Corporations
- Non-Revocable Inter Vivos Trusts
- Foreign nationals
- Borrowers with diplomatic immunity

Refer to the Borrower Eligibility sections in Freddie Mac's Selling Guide for additional details.



## Section 11 Underwriting Method

**Automated Underwriting:** Loans must be underwritten by Loan Product Advisor (LPA) and must receive a risk classification of Accept/Eligible.

### Offering Identifier:

- Income less than or equal to 80% of AMI = 140
- Home Possible = 241
- Home Possible with Affordable Second = 583

Loans may follow the LPA Findings Report unless otherwise stated in Plaza's Program Guidelines. Additional information may be requested at the discretion of the underwriter.

Loan with LTV's > 80% require Mortgage Insurance. Additional guidelines and restrictions may apply. Refer to MI company specific guidelines.

Refer to the Automated Underwriting section in Plaza's **Credit Guidelines** for additional details.

**Manual Underwriting:** Manual underwriting is not permitted. All loans must be approved through LPA.

## Section 12 Credit

### Credit Score:

- The minimum credit score is determined by LPA.
- When MI is required, MI credit score requirements must also be met.

### Valid Credit Score:

- At least one borrower must have a valid credit score.
- Additional documentation requirements may apply when one or more borrowers do not have a valid credit score. Refer to Plaza's **Credit Guidelines** for additional requirements.
- When MI is required, MI credit score requirements must also be met.

### Housing History:

The mortgage payment history may be deemed satisfactory when the mortgage credit rating is disclosed on the credit report, is evaluated by LPA, and the loan receives an "Accept/Eligible" from LPA and remains current through closing.

For mortgage ratings not evaluated by LPA, the mortgage history must be documented and there may be no history of any 30-day (or greater) late mortgage payments within the last 12 months. Any late payments in the last 24 months will be considered and evaluated by the underwriter.

Refer to the Credit chapter in Plaza's **Credit Guidelines** for additional details.



## Section 13 Income & Employment

LPA will offer reduced employment documentation requirements on eligible loans.

Regardless of income type, the following is required for all borrowers:

- **1003:** 1003 must be signed and complete, including a 2 year employment history.
- **Paystub:** For each qualifying borrower who is not self-employed, at minimum a recent paystub reflecting year-to-date earnings is required. A written VOE may not replace a paystub.
- **4506-C/Tax Transcripts:** A signed 4506-C for all years in which income was used in the underwriting decision are required regardless of LPA findings. Refer to Plaza's **Credit Guidelines** to determine if transcripts are required.
- Verbal Verification of Employment

### Employment and Income Commencing After the Note Date:

Plaza allows income per Freddie Mac's Employed Income, Additional Requirements Option 1. If the borrower has not started work prior to Plaza funding, all requirements in Option 1 must be met. Refer to Freddie Mac Seller Guide Section 5303.2(e) and the **Loan Product Advisor Documentation Matrix** for complete details.

### Income Limits:

- Income may not exceed 80% of Area Median Income (AMI) for the property's location (this includes properties in low-income census tracts).

Refer to Freddie Mac's **Home Possible Income and Property Eligibility Tool**.

Refer to the Employment and Income chapter in Plaza's **Credit Guidelines** and the Employment and Income sections in Freddie Mac's Selling Guide for additional details.

## Section 14 Qualifying Ratios

The maximum debt-to-income (DTI) ratio will be determined by LPA, and if applicable, the MI company.

- Fixed Rate: Qualify at the note rate.

## Section 15 Down Payment / Gifts

### Down Payment/Gift Funds:

Units	Minimum Borrower Funds	
	LTV/CLTV <= 80%	LTV/CLTV > 80%
1	None	None
2-4	None	3%

For LTV > 80% additional MI requirements may apply and MI guidelines must be followed to ensure eligibility.

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## Acceptable Sources of Funds:

Acceptable Sources of Funds	
Use	Permitted Sources <sup>1</sup>
Minimum Borrower contribution	Borrower Personal Funds Cash on hand
Down Payment	Borrower Personal Funds Cash on hand Other Borrower Funds
Additional equity if needed for rate/term refinance	Borrower Personal Funds Cash on hand Other Borrower Funds
Closing costs, Financing costs, Prepays/Escrows	Borrower Personal Funds Cash on hand Other Borrower Funds Flexible Sources of Funds
Reserves	Borrower Personal Funds Cash on hand Other Borrower Funds Eligible Assets

<sup>1</sup> Refer to Freddie Mac's Single Family Seller/Service Guide Section 4501.10 for definitions and requirements for use of Borrower Personal Funds including Cash on hand, Other Borrower Funds and Flexible Sources of Funds.

**\$2,500 VLIP Credit:** When at least one borrower is a First-Time Homebuyer, and the total qualifying income of all borrowers is less than or equal to 50% of the area median income, and the loan is a purchase transaction, the loan will qualify for a \$2,500 credit. **Note:** Loans funded before February 3, 2025, do not require a FTHB to qualify. Loans funded on or after February 3, 2025, require a FTHB to qualify.

- The credit may be applied to down payment and closing costs, including escrows and mortgage insurance premiums.
- The credit may be used to satisfy the 3% minimum contribution for all one-unit properties or for two- to four-unit properties with LTV less than or equal to 80%.
- For two- to four-unit properties with LTV greater than 80%, the credit may be applied to down payment after the 5% minimum contribution is met.
- LPA: The \$2,500 credit should be reflected as a Grant asset on the application and in LPA.
- Plaza will apply the credit through a lender credit at closing.
- Special Feature Code K10 must be selected in BREEZE.

## Section 16 Reserves

- 1 Unit: Not required
- 2-4 Units: Per LPA

## Section 17 Interested Party Contributions

Interested party contributions, as a percentage of the sales price or appraised value, whichever is less, are limited to the following:

Occupancy	LTV/CLTV	Maximum Seller Contributions
Primary Residence	> 90	3%
	> 75% ≤ 90%	6%
	≤ 75%	9%

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**Eligible Properties:**

- Attached/detached SFRs
- Attached/detached PUDs
- Low-rise/high-rise condos
- Co-ops
- 2-4 units
- Manufactured Housing (Fixed Rate, Standard Conforming loan amounts only)

**Condos in Florida:**

Florida condos have additional restrictions. Refer to the Geographic-Specific Condo Project Considerations section in Plaza's **Project Standards** for additional details.

**Co-ops:**

- The co-op project must be reviewed and approved by Plaza.
- Located in the states of California, Connecticut, Florida, Illinois, Maryland, New Jersey, New York or Washington D.C.
- Refer to Plaza's **Project Standards** for Plaza's complete co-op requirements.

**Manufactured Housing:**

- Must be classified as Real Property
- Single-wide and multi-wide allowed
- Single-wide manufactured homes:
  - Manufactured homes must be at least 12 feet wide and have a minimum 400 square feet of gross living area
  - Single-wide manufactured homes in PUD projects require PERS approval (regardless of AUS)
- Manufactured homes must have been built on or after June 15, 1976
- Condos: Manufactured homes in condo projects require PERS approval (regardless of AUS)
- The manufactured home may not have been previously installed or occupied at another location
- All manufactured homes must meet Freddie Mac guidelines, restrictions in these Program Guidelines, and **Plaza's Manufactured Housing Guidelines**.
- Leasehold properties are ineligible



## Ineligible Properties:

- Commercial properties
- Condotels
- Geothermal homes
- Log Homes
- Mixed use
- Mobile homes
- Non-warrantable condos
- Timeshares
- Working farms, ranches, orchards
- Builder / developer-owned
- Community Land Trusts

Refer to the Property Types and Project Standards chapter in Plaza's **Credit Guidelines** for additional details.

## Section 19 Appraisal

Appraisal requirements per the final LPA Feedback Certificate and Freddie Mac Seller Guide.

**Automated Collateral Valuation (ACE):** If a loan is approved with an ACE, Plaza will accept the ACE subject to Freddie Mac guidelines and the limitations below:

### ACE assessments are not eligible:

- If loan receives an Accept/Ineligible recommendation. Waivers are only allowed with Accept/Eligible findings.
- An ACE may not be exercised if an appraisal has been obtained for the subject transaction.
- Leaseholds
- Properties subject to resale restrictions
- Co-ops
- Manufactured Housing
- Non-ARM's Length transactions
- Purchases of REO properties
- Texas Section 50(a)(6) and Section 50(f)(2) transactions
- When the underwriter has reason to believe fieldwork is warranted based on additional information obtained about the property.
- When the property has been subject to a possible natural disaster.

**Transferred Appraisals:** Plaza will accept transferred/assigned appraisals from the original transferring lender when all of the requirements outlined in the Appraisal Requirements chapter in Plaza's **Credit Guidelines** are met.

Refer to the Appraisal Policy in Plaza's **Credit Guidelines** for additional details.



## Section 20 Geographic Restrictions

Program specific geographic restrictions are identified below. Refer to Plaza's [Geographic State Restrictions](#) for general guidelines and restrictions.

Loans with MI may have additional state specific restrictions, including reduced LTVs. Refer to the specific MI Company guidelines for restrictions.

### Hawaii:

- Properties in Lava Zone 1 are not allowed.
- Properties in Lava Zone 2 are eligible with additional requirements. Refer to Hawaii Lava Zone 2 requirements in Plaza's [Geographic State Restrictions](#).

## Section 21 Max Financed Properties / Exposure

Borrowers may not have an ownership interest in more than two financed residential properties, including the subject property, as of the Note Date.

## Section 22 Mortgage Insurance

Loans with LTV's greater than 80% require Mortgage Insurance.

MI guidelines are subject to change; it is therefore the underwriter's responsibility to check the applicable MI Underwriting Guidelines online and order the MI cert at the time of underwriting and prior to sending out an approval.

### Manufactured Housing:

- Multi-wide: Arch, Enact, MGIC, National MI and Radian insure multi-wide manufactured housing.
- Single-wide: Enact, MGIC and National MI insure single-wide manufactured housing.

### Coverage Requirements:

Mortgage Insurance Coverage		
LTV Ranges	<= 20 Year Term Excluding Manufactured Housing	>20 Year Term And All Terms Manufactured Housing
95.01 – 97%	25%	25%
90.01 – 95%	25%	25%
85.01 – 90%	12%	25%
80.01 – 85%	6%	12%

Refer to Plaza's [Mortgage Insurance Policy](#) for additional information.



## Section 23 Escrow Accounts

- Escrow waivers are not permitted for LTV > 95%
- Escrow waivers for LTV > 90% <= 95% require a minimum of 3 months verified reserves.
- Impounds should not be waived for borrowers with blemished credit histories or first-time homeowners; however, impounds may be waived if sufficient compensating factors exist and a 2<sup>nd</sup> level review by a Plaza Underwriting Team Manager is required.
- Escrow deposits for the payment of premiums for mortgage insurance may not be waived

## Section 24 Repair Escrows

Both weather related and non-weather related holdbacks will be considered by Plaza's Underwriting Department as an Exception Only. Refer to Plaza's [Loan Closing Manual](#) for details on Repair Escrows.

Escrow holdbacks for repairs are not eligible on condos or manufactured housing.

## Section 25 ARM Adjustments

Not applicable.

## Section 26 Temporary Buydowns

Temporary Buydowns are eligible subject to the following:

- 2-1 and 1-0 buydowns are offered
- Purchase transactions only
- 1- to 2-unit properties only
- Qualify at the note rate
- Funds may come from the seller or other eligible interested party
  - Interested Party Contribution (IPC) limits apply
  - Seller paid buydowns should be disclosed in the purchase contract and must be provided to the appraiser with all appropriate financing data and IPCs for the subject property
  - The amount and source of all IPCs must be submitted to LPA as applicable
- Buydown Agreement required and will print with Plaza loan docs
- [Plaza's Buydown Calculator](#) can be used to estimate the buydown payment and total contribution amount

## Section 27 Insurance

For Insurance requirements refer to Plaza's [Hazard and Flood Insurance Policy](#).

## Section 28 Other Features

Reserved for future use

