

HomeReady® & Home Possible Advantage® Comparison

Program	HomeReady (1 Unit)	Home Possible Advantage
Loan Purpose	Purchase and LCOR	Purchase and LCOR
Loan Type	Fixed and ARM	Fixed Rate Only
FICO	Minimum of 620	Minimum of 620
LTV	Purchase 97%, LCOR 97%	Purchase 97%, LCOR 97%
CLTV	Max 105%	Max 105%
Occupancy	Must be OO	Must be OO by all borrowers
Property Type	SFD, Condo, Coop, PUD's, Manufactured Housing	SFD, Condo, Coop, PUD's
Units	1-4 Must be Primary Residence	1 Unit Only
Renovation	Allowed	Allowed
Income Limits	100% of AMI and No Income Limit areas	100% of AMI and No Income Limit areas, Special Feature for High Cost Areas
Minimum Borrower Contribution	0, 1 unit Purchase	0, 1 unit Purchase
Acceptable Sources of Funds for DP and Closing Costs	Gifts, Grants, Community Seconds Cash on Hand CLTC to 105%	Gifts, Grants, Community Seconds Cash on Hand CLTV to 105%
Ownership of Other Property	Allowed	Not Allowed
Non-Occupant Co-borrower	Allowed to max 95% DU Manual UR to 90% Income considered in AMI	Not Allowed
Extended Income Household	Allowed	Not Allowed
Buydowns	3-2-1 and 2-1 allowed	3-2-1 and 2-1 allowed
Mortgage Insurance	90.01 to 97%, 25% Coverage 90% or less Standard Coverage	90.01 to 97%, 25% Coverage 90% or less Standard Coverage
Manual UR	Allowed	Allowed
Other Income	Allowed	Allowed
Boarder Income	Allowed	Not Allowed
Accessory Dwelling Unit Income	Allowed	Not Allowed
Pre Purchase Homeownership Education	Required	Required if All Borrowers Are First Time Homebuyers
LLPA's	Waived with 680 Score and LTV > 80 Max LLPA's 1.5%	Waived with 680 Score and LTV > 80 Max LLPA's 1.5%
MCC	Allowed	Allowed

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