To:	All Customers	**From:**	Flagstar Lending
Date:	12/31/20	**Memo #:**	20125
Subject:	**Home Possible Updates**		

Pursuant to Freddie Mac Bulletin 2020-45, the following updates will be made to *Home Possible*, Doc. #5335:

LTV RESTRICTIONS

- Conforming fixed rate loans for 2-4 units will change from 95% to 85/95% LTV/TLTV
- Conforming ARM loans for 2-units will change from 95% to 85/95% LTV/TLTV
- There are no changes to Super Conforming loans

Loans that do not meet the new LTV/CLTV guidelines must be registered and locked on or before Friday, January 8, 2021.

- Broker loans must be closed and funded by Friday, February 19, 2021.
- Correspondent loans must be delivered and purchased by Friday, February 19, 2021.

SWEAT EQUITY

Freddie Mac is removing the sweat equity-specific maximum LTV/TLTV ratios and now referring to the general maximum LTV/TLTV ratios for Home Possible Mortgages. These ratios also apply to Home Possible Mortgages that use sweat equity as an eligible source of funds.

For the complete product description please see *Home Possible*, Doc. #5335.

CUSTOMER SUPPORT

If you have any questions, please email the Lending Service Center at WLSC@Flagstar.com or call (866) 945-9872.