

**HomePath® Mortgage****Fact Sheet**

**HomePath Mortgage** allows a borrower to purchase a Fannie Mae-owned property with a low down payment, flexible mortgage terms, no lender-requested appraisal, no mortgage insurance, and expanded seller contributions. The final sales price is used to underwrite the loan. Mortgage insurance is also not required but for higher loan to value loans there may be a cost. Borrowers should ask their lender for cost details.

**Benefits to the Borrower**

- Low down payment and flexible mortgage terms (fixed-rate, adjustable rate, or interest-only)
- Down payment (at least 3 percent) can be funded by the borrower's own savings; a gift; a grant; or a secured loan from a nonprofit organization, state or local government, or employer
- No appraisal fees
- No mortgage insurance (ask the lender for cost details on loans without mortgage insurance)
- Available for primary residences, second homes, and investment properties

**Things to Consider****No Lender-Requested Appraisal**

The lender will not order an appraisal to determine the value of the property. The lender will use the final sales price as the value to underwrite the loans. If the lender orders an appraisal, the property is no longer eligible for HomePath financing. When Fannie Mae lists a property for sale, the list price is based on market conditions and the appraised value of the property. The final sales price is based on the current market conditions and what the borrower is willing to pay.

Borrowers can work with a real estate agent to request an appraisal at their own cost. Keep in mind, the lender will not use the appraisal to process and underwrite the HomePath Mortgage.

We strongly recommend that the borrower hire a qualified professional to inspect the property, whether it has been repaired or not. There is a 10-day inspection period, which begins on the start date listed on the purchase addendum, so be sure to check the addendum to confirm this date. Again, the borrower can work with his or her real estate agent to request a home inspection.

**Property Type - Condominiums**

There are certain requirements that a condominium project must meet in order for a lender to provide financing on individual units within the condominium project. HomePath financing allows the lender to waive many of these requirements for the purchase of a Fannie Mae-owned condominium, but these flexibilities may not be available if the borrower later wants to refinance the loan or sell the condo.

## Homeowners' Associations (HOAs)

When financing a home, a borrower should consider that in addition to the monthly mortgage payment, there may be HOA dues. These dues may cover a variety of services available in the neighborhood. The borrower should be sure to request and read the HOA documents and the financial status of the HOA.

## Seller Contributions

Seller contributions are allowed with HomePath financing. While buyers are negotiating the final sales price, they should also consider negotiating the seller contribution to help pay for closing costs.

## Buyers Guide

A Buyers Guide for a Fannie Mae-owned Home is available at [www.HomePath.com](http://www.HomePath.com). Learn more on how to find a property, make an offer, and finance new home.

**HomePath Mortgage** is available for primary residences, second homes, and investment properties. HomePath financing is only one option in financing a Fannie Mae-owned property, and its use is not required. The borrower should always choose the best mortgage product that meets the needs of the borrower and the property.

For more information about HomePath financing visit [www.HomePath.com](http://www.HomePath.com)