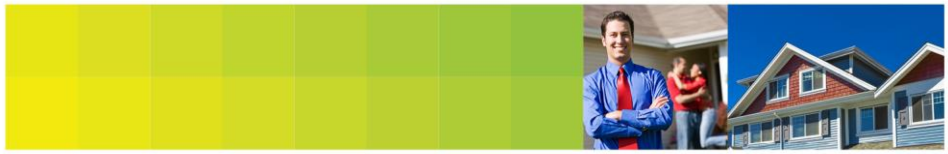
HomeSteps®
Freddie Mac Homes



Frequently Asked Questions

Freddie Mac First Look Initiative

What is the Freddie Mac First Look Initiative?
The Freddie Mac First Look Initiative is an ongoing initiative that offers owner occupant homebuyers (purchasing the home as their primary residence), Neighborhood Stabilization Program (NSP) grantees and non-profits engaged in community stabilization efforts the ability to purchase HomeSteps homes during their initial 30 days of listing without competition from investors.

What is the listing broker's role in the Freddie Mac First Look Initiative?

- Support and promote the Freddie Mac First Look Initiative to their local community.
- Enter the following **specific** language into the MLS agent comments:
    - This property is eligible under the Freddie Mac First Look Initiative through XX/XX/XX.
- Upload a copy of the MLS data sheet (Agent Full Print) and history for all new listings to the Document View/Upload tab in HomeSteps Connect (HSC).
- When submitting offers during the First Look period:
    - Enter "FMFL Offer" and the expiration date in the Comments section of the HSC Offer screen.
    - Enter "FMFL Offer" in the Special Provisions section of the HSC Offer screen.
- Include the Freddie Mac First Look Initiative Agreement of Purchaser affidavit with all First Look contract packages, to be signed by the buyer and the selling agent at the time of contract execution. There is one affidavit for owner occupants and a separate affidavit for non-profit buyers. Both affidavits are located in the Business Forms section of Supplier Community on HomeSteps.com. Ensure that the most recent version is used.
    - The owner occupant affidavit MUST be signed by the buyer AND the selling agent for ALL offers received during the First Look period.
    - The Agreement of Purchaser affidavit is solely for use on offers received during the First Look period. Do not have the affidavit signed by a buyer AFTER the First Look period has expired.

How should listing brokers submit a copy of the MLS data sheet to the sales specialist?
Listing brokers must upload a copy of both the MLS data sheet and MLS history to the Document View/Upload tab in HSC. If they are unable to upload a copy, they must email a copy to the sales specialist for ALL new listings.

What homes are eligible to be included in the Freddie Mac First Look Initiative?
All HomeSteps homes in Listed status (excluding multi-family properties) are eligible for inclusion in the Freddie Mac First Look Initiative during the initial 30 days on market.

Will the Freddie Mac First Look Initiative apply to all HomeSteps homes, or just those targeted for owner occupant buyers as identified in the BPO?
The only exclusions from the First Look Initiative are homes that Freddie Mac has identified with specific environmental issues, multi-family properties or properties that have been sold with a unique disposition plan, prior to being offered in the MLS to the public for sale.

Are second home purchasers eligible for the First Look Initiative?
No, second home purchases are not eligible for the Freddie Mac First Look Initiative.

How will a homebuyer or selling agent know if a home is included in the Freddie Mac First Look Initiative?
HomeSteps homes eligible for the Initiative will be highlighted in the property listing remarks of the MLS and are clearly marked with a First Look icon on HomeSteps.com.

Does the Freddie Mac First Look period begin the date the property is listed in the MLS or the date of the listing agreement?
Day one of the First Look period begins on the first full day after the property is listed in the MLS.

How will multiple offers be handled during First Look period?
Multiple offers received during this time period are processed in the same manner as a normal transaction using the multiple offers procedure. Offers from investors will not be included in a multiple offers procedure during the First Look period.

If there are multiple offers that include investor offers, and the Freddie Mac First Look Initiative expires while we are collecting documents from the different prospects, do the owner occupant buyer offers received before the end of the Freddie Mac First Look Initiative get countered?

- Investor offers are not negotiated during the First Look period.
- First Look negotiations will continue through offer acceptance or rejection.

How will buyers prove they are buying the property as their primary residence?
The buyer and the selling agent must sign an affidavit affirming that the buyer will occupy the home as their primary residence. Parties that fraudulently sign the affidavit may be subject to criminal or civil liability.

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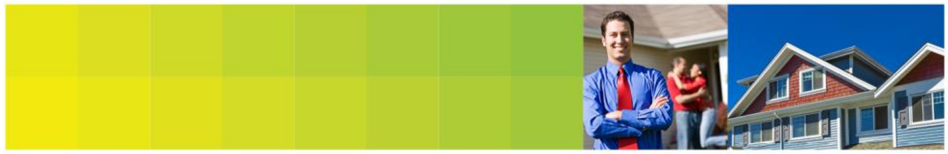


What about a parent who has co-signed or purchased a home prior for a child and now they want to purchase a home for themselves?
The parents must show proof that they are a co-signer on the prior home purchase and that the child signed the First Look Affidavit to occupy the home. The parent then must sign the First Look Agreement of Purchaser affidavit stating they are purchasing the current home to occupy as owners.

What should the listing broker do if a non-owner occupant makes an offer during the First Look period?
The listing broker should enter all investor offers in HSC.

- Investors may submit offers at any time. However, the offers will not be considered for negotiation until after the First Look period has expired.
- Offers from non-profits, NSP grantees and community development organizations are eligible for the Freddie Mac First Look Initiative.

What happens if the property goes pending within the first couple of days of listing, and then the buyer backs out after the property inspection?
If there are remaining days that would have been left in the First Look period prior to acceptance of the cancelled offer, the sales specialist will calculate the remaining days and continue the marketing process for owner occupants and/or non-profits for the full term of the First Look period.

Is the required affidavit to be signed by the buyer upon initial offer or once the offer is accepted?

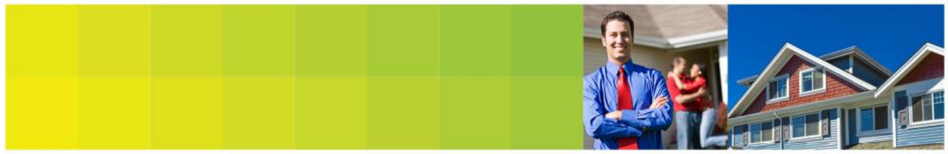
- The affidavit will be signed with the purchase and sale agreement upon execution of the contract but should also be provided to the buyer for review prior to offer acceptance.
- Closing agents will check for the affidavit as part of their contract package review on all offers accepted during the First Look period.

What happens if we find out an investor has fraudulently claimed to be an owner occupant? Will Freddie Mac cancel in the middle of the transaction?
In the event fraud is detected, the earnest money will be forfeited, and the transaction will be cancelled.

Are NSP grantees eligible for the First Look period?
Yes, NSP grantees are eligible.

How will we know if a potential purchaser is an NSP grantee eligible for the Freddie Mac First Look Initiative?
NSP purchasers are required to submit the NSP forms with their initial offer. All concessions requested for individual buyers using NSP down payment assistance will be reviewed on an individual basis.

Is the NSP offer and submittal package checklist the same in regard to proof of funds and earnest money?
HomeSteps will review any deviations from the current earnest money and proof of funds requirements on an individual basis.



Are all non-profit organizations eligible for the Freddie Mac First Look Initiative?
Only non-profits that participate in community stabilization are eligible. All non-profits purchasing during the First Look Initiative period are required to submit supporting documentation of their non-profit status and of their purpose to promote community stabilization.

Do the same First Look requirements for owner-occupant purchases apply to NSP, non-profit and government agencies?
The *Agreement of Purchaser (Neighborhood Stabilization Non-Profit, Neighborhood Stabilization Program (NSP) or Government Agency)* outlines the requirements for these organizations and is to be utilized for all non-profit, NSP or government agency offers that are received during the First Look period. The agreement is available in Supplier Community in the Business Forms tab.

If you have any questions or concerns, please email VendorManagementSLC@Radian.com.

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