

FAQ

March 2024

Freddie Mac Expands Assistance for Very Low-Income Purchase Borrowers

Overview

Effective March 1, 2024, potential homebuyers earning 50% of area median income (AMI) or less, subject to certain requirements, are eligible to receive a \$2,500 credit to assist with their down payment and other costs at closing. It will be available across Freddie Mac's Home Possible® and HFA Advantage® mortgage offerings. Refer to *Single-Family Seller/Service Guide* (Guide) [Bulletin 2024-A](#) which provides the complete requirements for this temporary assistance for Home Possible mortgages.

HOME POSSIBLE

General Questions

Q1. Why is Freddie Mac expanding pricing for Home Possible mortgages to include a new \$2,500 very low-income purchase (VLIP) credit?

A: We're continuing our longstanding support for low-income families. Studies show that down payment and closing costs are among the largest barriers to homeownership for very low-income homebuyers. Our commitment to supporting these borrowers runs deep, as we have provided assistance to this population through various programs since 2018. We are pleased to now make this assistance more broadly available to borrowers through our Home Possible program.

Q2. Does Freddie Mac expect to make this VLIP credit for Home Possible loans available beyond February 28, 2025?

A: At this time, the VLIP credit for Home Possible loans will end on February 28, 2025. Any changes to this date will be communicated via a subsequent Guide Bulletin.

Questions Specific to the \$2,500 VLIP Credit

Q3: Guide Bulletin 2024-A allows for mortgages with the Home Possible VLIP credit to be originated using negotiated underwriting provisions (i.e., TOB). Does this include pricing provisions?

A: No. Pricing provisions (i.e., pricing TOBs) are not considered negotiated *underwriting* provisions and therefore may not be combined with the Home Possible VLIP credit unless specifically permitted in the individual pricing TOB.

Q4. Do I need to add Investor Feature Identifier (IFI) K10 to all Home Possible VLIP mortgages that I sell to Freddie Mac?

A: No, however, IFI K10 must be added to loans sold to Freddie Mac to receive the \$2,500 VLIP credit, indicating the benefit has been passed to the borrower.

Q5. Can I provide the \$2,500 VLIP credit on Home Possible loans where borrowers have larger down payments, such as 20%?

A: Yes. There are no restrictions on loan eligibility based on down payment size or the loan-to-value (LTV) ratio.

Q6. Are there any geographic restrictions on the use of the Home Possible \$2,500 VLIP credit?

A: No. This \$2,500 VLIP credit is available for any Home Possible purchase loans eligible for sale to Freddie Mac subject to the requirements in Guide Bulletin 2024-A.

Q7. For Home Possible loans that close prior to March 1, 2024, where the Seller did not provide the \$2,500 VLIP credit at closing, could a Seller issue a check to the borrower after closing and get reimbursed from Freddie Mac?

A: No. The \$2,500 VLIP credit must be provided at closing.

Q8. Are VLIP loans that are not delivered as Home Possible eligible for the \$2,500 credit?

A: No.

Q9. Will Sellers get a specific allocation or have a cap on the number of Home Possible VLIP loans they can sell to Freddie Mac with the \$2,500 VLIP credit?

A: No. There is no allocation or cap on the number of Home Possible VLIP loans that a Seller can deliver to Freddie Mac.

Q10. Are Home Possible loans originated by correspondents or brokers eligible for the \$2,500 VLIP credit?

A: Yes. Freddie Mac Sellers acquiring these loans from their third-party originators are responsible for the representing and warranties that the funds from the VLIP credit are going to the benefit of the borrower at closing. Sellers are encouraged to validate this is occurring.

Marketing and Branding

Q11. What is the naming convention for this Home Possible VLIP \$2,500 credit?

A: The Home Possible VLIP credit will be labeled, "Home Possible VLIP Credit" and can be found in the price results daughter window of Loan Selling Advisor®.

Q12: Will lender marketing materials need to be reviewed/approved by Freddie Mac?

A: If Sellers are creating materials using the Freddie Mac logo, they should submit all marketing materials for review by submitting this [request form](#).

Delivery

Q13. How do I input the Home Possible \$2,500 VLIP credit in Loan Product Advisor® (LPASM)?

A: Refer to this [job aid](#) for instructions.

Q14. How do I input the Home Possible \$2,500 VLIP credit in Loan Selling Advisor? Is there an IFI code? Is there a Loan Product Identifier?

A: Yes, there is a Loan Product Identifier for Home Possible and an IFI code K10 indicating the \$2,500 VLIP credit was provided to the borrower. Refer to this [job aid](#) and Guide Bulletin 2024-A for further details.

HFA ADVANTAGE

General Questions

Q15. It was announced by Freddie Mac that the \$2,500 VLIP credit is also available for HFA Advantage mortgages. What are the requirements for HFA Advantage mortgages to be eligible for the VLIP credit?

A: HFA Advantage loans will continue to be originated as they are today through your housing finance agency (HFA) partners. HFAs can apply the credit to their programs in various ways. Reach out to your Freddie Mac Account manager or HFA partner for more information.