

\$2,500 down payment and other closing costs assistance!



For Freddie Mac's **Home Possible**[®] mortgages with very low-income purchase (**VLIP**) borrowers.

Innovative way to help more borrowers overcome barriers to homeownership!



Who qualifies as a **VLIP borrower**?



Homebuyers earning **50%** of area median income (AMI) **or less**.



This **temporary assistance** is effective for mortgages with settlement dates **on or after March 1, 2024, and on or before February 28, 2025**.

Eligibility

In addition to the Home Possible mortgage requirements in Guide Chapter [4501](#), the eligibility requirements of Bulletin [2024-A](#) must be met, including the following:

- ➔ Purchase transactions.
- ➔ The borrower's qualifying income converted to an annual basis **must not exceed 50%** of the area median income (AMI) for the location of the property. Refer to the [Freddie Mac Tools](#) section.
- ➔ The **full amount** of the Home Possible VLIP Credit for Credit Fees **must be applied** to the borrower's **down payment and/or closing costs**.

This information is not a replacement or substitute for the requirements in the Freddie Mac *Single-Family Seller/Service Guide* or any other contractual agreements. This information does not constitute an agreement between Freddie Mac and any other party.



Freddie Mac Tools

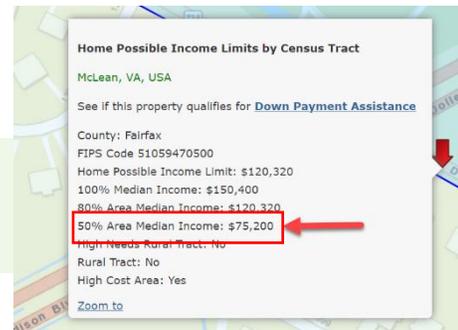
To take advantage of the \$2,500 credit, the borrower must meet certain requirements and you must provide critical data elements through [Loan Product Advisor® \(LPASM\)](#), [Loan Closing Advisor®](#) and [Loan Selling Advisor®](#).



Before you submit the transaction to LPA, you have the option to leverage our map-based [Home Possible Income and Property Eligibility Tool](#) to access AMI%.

Excerpt of a Home Possible Income and Property Eligibility Tool Result

In this example the borrower's qualifying income must be at or below \$75,200 to be eligible for the Home Possible VLIP Credit.



Loan Product Advisor



The information contained in this section generally applies to all LPA users, whether you are entering data directly into the Loan Product Advisor interface or importing data from your system (direct access user) via Freddie Mac Loan Advisor® single sign-on portal or using a loan origination system (LOS) that interfaces with Loan Product Advisor (system-to-system (S2S user)). For S2S users the field groupings and the order in which you enter information may vary. Contact your system administrator, or system vendor, for more information on data input mapping from your system to LPA.

Use LPA to determine if the borrower's qualifying income is 50% or less of the AMI for the location of the property and identify if they are eligible for Home Possible. Simply submit the transaction to LPA following the steps below and review the information returned in the *Assessment Summary*, *Loan Details* and the *Affordable Lending And Access to Credit* sections of the LPA Feedback Certificate.



1

How to Identify a Home Possible Mortgage

Depending on your loan origination system (LOS), a Home Possible mortgage may be identified as a program identifier, product or program.

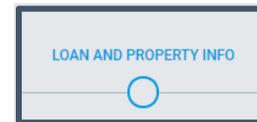
S2S Users

ULAD Data Point	LPA Unique ID	Valid Value
<i>Loan Program Identifier</i>	178.00	Home Possible

Direct Access Users

When entering data into LPA using **Loan Advisor single sign-on portal**:

1. Access the **Loan and Property Info** metro stop from the navigation menu.
2. Select **Home Possible** from the **Program Identifier** drop down selection.





2

How to Enter the Home Possible VLIP Credit

When the borrower’s qualifying income converted to an annual basis does not exceed 50% of the AMI for the location of the property enter the Home Possible VLIP Credit as “Grant” provided by a “Federal Agency”.

 Do **NOT** enter the amount as a Lender Credit!

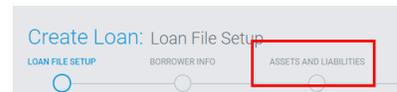
S2S Users

ULAD Data Point	LPA Unique ID	Valid Value
Asset Type	8.00	Grant
Funds Source Type	10.00	Federal Agency
Asset Cash Or Market Value Amount	7.00	\$2,500.00
Included in Asset Account Indicator	12.00	False

Direct Access Users

When entering data into LPA using **Loan Advisor single sign-on portal**:

1. Access the **Assets and Liabilities** metro stop from the navigation menu.
2. **Other Assets** section, enter the information as shown.



Other Assets You Have

Account Type * Select 'Grant'

Grant Select 'No' Cash or Market Value * Enter 'Amount'

Source Type * Select 'Federal Agency'

Federal Agency Deposited * Yes No Joint Asset * Yes No

\$ 2500.00



Excerpts from the LPA Feedback Certificate

FreddieMac Loan Product A

Assessment Summary

Attention: Loan was assessed for Home Possible® eligibility and meets income limits.

AMI% message provided on every loan.

Affordable Product Information	
AREA MEDIAN INCOME	AREA MEDIAN INCOME (%)
\$105,000	46.86%

Confirms loan was assessed for Home Possible eligibility.

DETAILS	NUMBER OF SUBMISSIONS	LP KEY NUMBER
BORROWER NAME MARY FREDDIE	10	

Indicates borrowers qualifying income represents 46.86% of the AMI for the property location.

RISK CLASS	Representation & Warranty Relief	INCOME R&W* RELIEF
ACCEPT	COLLATERAL R&W* RELIEF: NOT ELIGIBLE	N/A
		INCOME R&W* RELIEF: NOT ELIGIBLE

Specific message only displays when income is ≤ 50% of the AMI (meets VLIP).

PROGRAM IDENTIFIER(S)
Home Possible

Affordable Lending And Access To Credit Messages

CODE	MESSAGE
FAL0003	Based on the annual qualifying income (\$49,200.00) and the Area Median Income (AMI) (\$105,000.00) where the property is located, the loan meets the housing goal qualifications for a Very Low-Income Purchase (VLIP) since the income is at or below 50% AMI (\$52,500.00). Additionally, the loan meets the Low-Income Purchase (LIP) housing goal which requires income of less than or equal to 80% AMI (\$84,000.00).
FAL0046	The loan application data shows a first-time homebuyer.
FAL0045	This loan may meet certain eligibility criteria as outlined in Guide Exhibit 19A Credit Fee Cap Eligibility Criteria.
FAL0044	PERRY, IA, 50066 is in a designated Rural Area.
FAL0011	The area median income (AMI) is \$105,000.00 for the address submitted. The submitted annual qualifying income of \$49,200.00 is 46.86% of the AMI.
FAL0005	This loan meets the Home Possible income limits.
FAL0025	Affordable Seconds: Document the mortgage file with a Note or other evidence of terms, settlement/closing disclosure statement or alternative required by law that evidences the fees and costs paid by the borrower at closing in connection with a new Affordable Second, and evidence of subordination of an existing Affordable Second for a refinance.
FAL0001	Since all occupying borrowers are first-time homebuyers, at least one borrower must participate in a homeownership education program or completion of Freddie Mac's CreditSmart(R) Homebuyer U is required prior to the note date. Retain the Homeownership Education Certification or comparable document in the mortgage file. See Guide Section 5103.6 for complete requirements.
FAL0026	The Affordable Second must be provided by an Agency under an established, ongoing, documented secondary financing or financial assistance program. The Affordable Second may not be funded by the property seller or any other interested party to the transaction except as provided in 4204.2(a)(i) B. and C.

Assets And Reserves Messages

CODE	MESSAGE
FAR0050	The loan is not eligible for asset representation and warranty.
FAR0121	The total funds to be verified are no less than \$973.00. This amount includes required borrower funds (\$973.00), required reserves (\$0.00), any debts to be paid off at or before closing (\$0.00) and any debts to be paid down at or before closing (\$0.00).
FAR0013	The following asset(s) total \$11,200.00 and are eligible sources of funds: Checking: \$8,700.00 Grant Not Dep: \$2,500.00.
FAR0198	For the grant in the amount of \$2,500.00, obtain documentation that the funds were provided by an Agency with an established grant program, that the funds do not have to be repaid and were received by the borrower or by the Seller on the borrower's behalf. Examples of acceptable documentation include copies of grant program materials, award letters or terms and conditions provided to the borrower. The agency must not be an interested party.

Feedback message identifying the 'Grant'.

Home Possible VLIP Credit entered as a Grant: Documentation of the grant is not required, however, you must provide evidence the full amount of the credit was applied to the borrowers down payment and/or closing costs.



Did you know...



To help you identify more affordable loans, a banner appears at the top of the *Assessment Summary* section of the feedback certificate that either indicates if the loan was submitted as a Home Possible mortgage and meets income limits or if the loan was not submitted as a Home Possible mortgage but may be eligible because it meets income limits. If the income limits are not met the banner will not display.

Loan Closing Advisor

For mortgages meeting the requirements of Guide Bulletin [2024-A](#) and Home Possible requirements of Guide Chapter [4501](#) the Seller must ensure the following data points are submitted to Loan Closing Advisor via the Uniform Closing Dataset (UCD).

UCD	UCD Unique ID	Valid Value
<i>Closing Adjustment Item Type</i>	10.042	Grant
<i>Closing Adjustment Item Amount</i>	10.039	\$2,500.00
<i>Full Name (Legal entity Name)</i>	10.308	The lender's name as it appears on the note

Loan Selling Advisor

For mortgages meeting the requirements of Guide Bulletin [2024-A](#) and Home Possible requirements of Guide Chapter [4501](#) Sellers must deliver the following Uniform Loan Delivery Dataset (ULDD) data points.

1

The Seller must deliver the loan in Loan Seller Advisor using the specific Loan Program Identifier (Sort ID 404) for the Home Possible Mortgage

The Seller **must also deliver** the Investor Feature Identifier (IFI) code “K10” (Sort ID 368)

ULDD Data Point	Sort ID	Valid Value
<i>Loan Program Identifier</i>	404	Home Possible Mortgage

ULDD Data Point	Sort ID	Valid Value
<i>Investor Feature Identifier</i>	368	K10



Product Details

LOAN PROGRAM IDENTIFIER

Loan Program Identifier: Home Possible Mortgage

ADD LOAN PROGRAM IDENTIFIER REMOVE SELECTED

Refinance Program Identifier:

Investor Feature Identifier: K10

Investor Collateral Program Identifier:

Note: For mortgages delivered with IFI K10, lenders are representing and warranting that the full amount of the credit is going to the benefit of the borrower. However, if the full amount of the credit doesn't go to the benefit of the borrower, Sellers must not deliver IFI K10.

2

The Seller can enter in the ULDD file the type of funds used by entering:

- ➔ Down Payment Type, or
- ➔ Closing Cost Funds Type

If entering as a Down Payment Type use the information referenced below.

ULDD Data Point	Sort ID	Valid Value
Down Payment Source Type	173	Federal Agency
Down Payment Type	175,176	Grant
Down Payment Amount	172	\$2,500.00

For ULDD XML Mapping:

- ➔ Sort ID 175= DownPaymenttype = OtherTypeofDownPayment
- ➔ Sort ID 176= DownPaymentTypeOtherDescription = Grant

DOWN PAYMENT TYPE	DOWN PAYMENT SOURCE TYPE	DOWN PAYMENT AMOUNT
<input type="checkbox"/> Grant	Federal Agency	\$2500
ADD DOWN PAYMENT	REMOVE SELECTED	



If entering as a Closing Cost Type use the information referenced below.

ULDD Data Point	Sort ID	Valid Value
<i>Closing Cost Funds Type</i>	152	Federal Agency
<i>Closing Cost Source Type</i>	154	Lender
<i>Closing Cost Contribution Amount</i>	151	\$2,500.00

3 The Seller must select 'True' for the Loan Affordable Indicator (Sort ID 238).

ULDD Data Point	Sort ID	Valid Value
<i>Loan Affordable Indicator</i>	238	True

For loans delivered through the Cash Window program, the Home Possible VLIP Credit is included in the all-in proceeds paid to the Seller. For loans delivered under Guarantor execution, is a reduction to the Daily ACH draft that occurs five (5) business days after settlement. Refer to Guide Section 6303.1.

Note: The Pricing Identifier, a contract data field, is required for all contracts for which Home Possible mortgages are allocated.

Resources

- ➔ [Seller/Servicer Guide Bulletin 2024-A](#)
- ➔ [Exhibit 19, Credit Fees](#)

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