



Last Reviewed: 01/07/2025

UNIONHOME MORTGAGE

Freddie Mac Home Possible DPA Enhancement

PRODUCT DESCRIPTION

To address some of the barriers for very low-income purchase (VLIP) borrowers, Freddie Mac has implemented a new \$2,500 credit for use towards down payment and/or closing costs when using the Home Possible program. This credit is available for borrowers who are at or below 50% AMI for the location of the mortgaged property. At least one borrower must be a first-time homebuyer and meet other eligibility criteria outlined in this summary.

GENERAL ELIGIBILITY

Product Channel	Retail and TPO
Loan Purpose	Purchase only
Geographic Limitations	Eligible in all states in which UHM does business.
Other Financing	<ul style="list-style-type: none">• Can be combined with the UHM Grant Program.• Cannot be combined with an MCC or State bond program.• Cannot be combined the BorrowSmart Grant.
Maximum Income Limit/Area Median Income (AMI)	<ul style="list-style-type: none">• The borrower(s) must have total qualifying income less than or equal to 50% of the applicable Area Median Income (AMI) limit for the subject property's location.• Loan Product Advisor will determine the income eligibility of the Mortgage. This can be checked outside of LPA through the Home Possible Income & Property Eligibility tool.• Other AMI versions, such as those published by HUD or state bond agencies, may not be used.

GUIDELINES

Use of Funds	The credit must be applied towards reimbursement of funds provided by the lender for down payment and/or closing costs, which can include offsetting costs of lender-paid mortgage insurance.
\$2,500 DPA Enhancement	<ul style="list-style-type: none">• Borrowers with a qualifying income of less than or equal to 50% of the applicable area median income (AMI) of the subject property's location are eligible.• At least one borrower on the loan must be a first-time homebuyer to be eligible for the VLIP Credit.• The full amount of the \$2,500 credit must be provided directly to the borrower through the transaction, such as being applied to down payment and closing costs, including escrows and mortgage insurance premiums.
Homebuyer Counseling	<ul style="list-style-type: none">• First-time homebuyers (FTHBs) MUST complete the Free CreditSmart Steps to Homeownership online tutorial: Freddie Mac CreditSmart Program.• A First-Time Homebuyer is an individual who had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the Mortgaged Premises.• If a borrower does not complete the homebuyer education, there must be verification of prior ownership in the last three years included in the loan file.
Rate/Pricing	Rates and pricing will follow Freddie Mac's Home Possible program.
DPA Funds	Grant amount MUST be entered on URLA Part 4, under "Gifts and Grants" section.
Special Feature Codes	Seller must deliver all Home Possible VLIP loans sold to Freddie Mac with the required IFI code K10 in order to be credited for the \$2,500.