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## 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

<b>Product Channel</b>	Retail and TPO
<b>Loan Purpose</b>	Purchase only
<b>Geographic Limitations</b>	Eligible in all states in which UHM does business.
<b>Other Financing</b>	<ul style="list-style-type: none"> <li>• Can be combined with the UHM Grant Program.</li> <li>• Cannot be combined with an MCC or State bond program.</li> <li>• Cannot be combined the BorrowSmart Grant.</li> </ul>
<b>Maximum Income Limit/Area Median Income (AMI)</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Loan Product Advisor will determine the income eligibility of the Mortgage. This can be checked outside of LPA through the <a href="#">Home Possible Income &amp; Property Eligibility</a> tool.</li> <li>• Other AMI versions, such as those published by HUD or state bond agencies, may not be used.</li> </ul>

### GUIDELINES

<b>Use of Funds</b>	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.
<b>\$2,500 DPA Enhancement</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• At least one borrower on the loan must be a first-time homebuyer to be eligible for the VLIP Credit.</li> <li>• 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.</li> </ul>
<b>Homebuyer Counseling</b>	<ul style="list-style-type: none"> <li>• First-time homebuyers (FTHBs) <b>MUST</b> complete the Free CreditSmart Steps to Homeownership online tutorial: <a href="#">Freddie Mac CreditSmart Program</a>.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<b>Rate/Pricing</b>	Rates and pricing will follow Freddie Mac's Home Possible program.
<b>DPA Funds</b>	Grant amount <b>MUST</b> be entered on URLA Part 4, under "Gifts and Grants" section.
<b>Special Feature Codes</b>	Seller must deliver all Home Possible VLIP loans sold to Freddie Mac with the required IFI code <b>K10</b> in order to be credited for the \$2,500.