

Bulletin

TO: Freddie Mac Sellers

December 12, 2024 | 2024-H

SUBJECT: HOME POSSIBLE® VERY LOW-INCOME PURCHASE (VLIP) MORTGAGES CREDIT UPDATE

At Freddie Mac, we strive to further our affordable housing mission by expanding access to credit responsibly and providing opportunities for sustainable homeownership for very low-income homebuyers. In support of this effort, we are extending the \$2,500 Freddie Mac Home Possible Very-Low Income Purchase (VLIP) Mortgages Credit through February 28, 2026 and updating eligibility to require at least one Borrower be a First-Time Homebuyer. The requirements in Bulletin 2024-A continue to apply for Mortgages with Settlement Dates on or before February 28, 2025.

These changes are **effective for Mortgages with Settlement Dates on or after March 1, 2025, and on or before February 28, 2026.**

Eligibility requirements

Mortgages eligible for the Home Possible VLIP Mortgages Credit must comply with the requirements of the Guide, except as otherwise stated in the table below.

Eligibility requirements	
Eligible Mortgages	The Mortgage must be a Home Possible Mortgage.
Eligible Borrowers	At least one Borrower must be a First-Time Homebuyer.
Mortgage purpose	The Mortgage must be a purchase transaction Mortgage.
Borrower income	<ul style="list-style-type: none"> • The Borrower's qualifying income converted to an annual basis must not exceed 50% of the Area Median Income for the location of the Mortgaged Premises • To determine if the Borrower's income meets the income limits: <ul style="list-style-type: none"> ➢ For Loan Product Advisor® Mortgages, the Seller must rely on the income used to qualify the Borrower and submitted to Loan Product Advisor ➢ For Manually Underwritten Mortgages, the Seller must use the Home Possible® Income & Property Eligibility tool. The Seller may not use other published Area Median Income versions (such as Area Median Incomes posted on https://www.huduser.gov/portal/home.html) to determine Mortgage or product eligibility.
Underwriting requirements	<ul style="list-style-type: none"> • The Mortgage must be underwritten in accordance with Guide Section 4501.5 and be: <ul style="list-style-type: none"> ➢ A Loan Product Advisor Mortgage that receives a Risk Class of Accept, or ➢ A Manually Underwritten Mortgage
Eligible use of Home Possible	<ul style="list-style-type: none"> • The full amount of the Home Possible VLIP Mortgages Credit must be applied to the Borrower's Down Payment and/or Closing Costs



Eligibility requirements	
VLIP Mortgages Credit	<ul style="list-style-type: none"> The Home Possible VLIP Mortgages Credit may be used to offset the 3% contribution due from Borrower personal funds if required under Section 4501.7(a)(iii)
Negotiated provisions	Mortgages eligible for the Home Possible VLIP Mortgages Credit include Accept Mortgages and Manually Underwritten Mortgages originated using negotiated underwriting provisions.

Delivery requirements

Sellers must deliver the following ULDD Data Points:

- *Loan Program Identifier* (Sort ID 404) and enter a valid value of “Home Possible Mortgage”
- *Investor Feature Identifier* (Sort ID 368) and enter a valid value of “K10”, indicating Home Possible VLIP Mortgage Credit

Mortgages must be delivered in accordance with Guide Exhibit 1, *Instructions for Completing the Borrower First Time Homebuyer Indicator*.

The credit for Credit Fees will be paid in accordance with the Credit Fee provisions stated in Guide Chapter 6303.

Guide impact: Exhibit 19

CONCLUSION

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call the Customer Support Contact Center at 800-FREDDIE.

Sincerely,

Kevin Kauffman

Senior Vice President, Single-Family Seller Engagement