

Alert

**Update**

Reminder

Clarification

Training Information

Preview

## Agency Very Low-Income Purchase (VLIP) Mortgage Credit

Truist Bank (Truist) announces a temporary enhancement to HomeReady® and Home Possible® products for very low-income purchase borrowers (VLIP).

### Effective Date

Effective for new and existing loan applications on or after July 19, 2024.

### Background Information

Freddie Mac Guide Bulletin 2024-A and Fannie Mae LL2024-01 announced a temporary \$2500 loan-level price adjustment for VLIP borrowers that may be used for down payment and closing costs.

### Bulletin Details

#### HomeReady and Home Possible \$2500 VLIP Credit

To continue to support homeownership opportunities for creditworthy very low-income borrowers, Freddie Mac and Fannie Mae have announced a temporary enhancement to HomeReady and Home Possible mortgages. This enhancement includes a \$2,500 loan-level price adjustment credit for very low-income purchase borrowers (VLIP) that may be used for down payment and closing costs.

Borrowers must meet the following requirements to be eligible for the credit:

Borrower and Loan Eligibility Requirements	
Underwriting requirements	<ul style="list-style-type: none"> <li>The loan must be an eligible HomeReady purchase loan (underwritten in Desktop Underwriter® (DU®) or manually underwritten) or a Home Possible purchase loan (underwritten in Loan Product Advisor (LPA®)).</li> <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> </ul>
Minimum borrower contribution	<ul style="list-style-type: none"> <li>The full amount of the 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> <li>The credit may be used to satisfy the 3% minimum contribution for all loans secured by one-unit properties or loans secured by two- to four-unit properties with LTV ratios less than or equal to 80%. For loans secured by two- to four-unit properties with LTV ratios greater than 80%, the credit may be applied to down payment after the borrower’s minimum contribution for the program is met.</li> </ul>

## Bulletin Details, continued

### HomeReady and Home Possible \$2500 VLIP Credit, continued

Loan Delivery and Pricing Requirements	
Delivery requirements	The loan must be delivered with the following Special Feature Codes: <ul style="list-style-type: none"> <li>• SFC 884 for HomeReady loans.</li> <li>• SFC K10 for Home Possible loans.</li> </ul>
Pricing	The lender will provide the \$2,500 credit to the borrower, which is then reimbursed through the standard LLPA credit process at loan delivery.

**Note:**

- As a reminder, income limits for HomeReady loans are available in Fannie Mae’s [Area Median Income Lookup Tool](#). For Home Possible loans, use the Freddie Mac [Home Possible Income and Property Eligibility tool](#).

## Other Resources

Support Group	Description and Contact Information:
Correspondent Relationship Coordinator	Specific questions on applying this procedure to specific loan files. Contact your Correspondent Relationship Coordinator at 800.382.2111, option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

This information is for use by mortgage professionals only and should not be distributed to or used by consumers or other third parties. This is not for solicitation of sales. Information is accurate as of date of posting and is subject to change without current product details and lending procedure. Truist Bank does not guarantee or assume liability for any third-party products or services. Truist Bank is an Equal Housing Lender. ©2024 Truist Financial Corporation. Truist, Truist Purple and the Truist logo are service marks of Truist Financial Corporation. All rights reserved.