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

Truist Bank (Truist) is announcing an extension to the temporary enhancement to HomeReady® and Home Possible® products. This enhancement includes a \$2,500 loan-level price adjustment credit for certain very low-income purchase borrowers (VLIP).

### Effective Date

Effective for new loan applications on or after December 20, 2024.

### Background Information

Fannie Mae LL 2024-01 (updated December 5, 2024) and Freddie Mac Guide Bulletin 2024-H announced an extension for the \$2,500 loan-level price adjustment credit for one additional year and have updated eligibility requirements.

### Bulletin Details

#### HomeReady and Home Possible \$2500 VLIP Credit Extension for First-Time Homebuyers

Bulletin [COR24-036](#) announced a \$2500 loan-level price adjustment for certain VLIP borrowers. Truist is pleased to announce we will continue to offer this credit but will now require at least one borrower be a First-Time Homebuyer.

**Important note: Existing loan applications that do not include a First-Time Homebuyer must be purchased by Truist on or before January 31, 2025.**

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>At least one borrower must be a First-Time Homebuyer.</li> <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>

## Bulletin Details, continued

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

Borrower and Loan Eligibility Requirements	
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>
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.

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