

Freddie Mac has offered a program to Newrez called Freddie Mac BorrowSmart® to assist Low-to-Moderate Income borrowers nationwide. If your consumer qualifies for Freddie Mac Home Possible®, they could qualify for assistance from Freddie Mac with down payment or closing costs.

Program Overview

Product Name = 2548 BorrowSmart® HP Standard 30 Year Fixed
2549 BorrowSmart® HP Std 30 Year w/ Afford 2nd

Very Low-Income Purchase (VLIP)

\$1,500 for borrower(s) whose qualifying income is less than or equal to 50% of Area Median Income (AMI)

Low-Income Purchase (LIP)

\$500 for borrower(s) whose qualifying income is greater than 50% and less than or equal to 80% of AMI

Additional Sources of Funds

- Gift Funds from family
- Funds from eligible nonprofits or government agencies
- Funds from Employer Assisted Homeownership programs and Affordable Seconds
- Can be used in conjunction with other DPA Programs that meet all applicable guidelines

Process Overview

Applications must be dated July 15th 2023 or later

Step 1: Determine borrower eligibility through your standard loan application process using the

[Freddie Mac BorrowSmart® Income and Property Eligibility Tool](#) and provide gross qualifying income to the borrower

Step 2: Once qualified, the program connects the borrower(s) with a Financial Wellness Expert with the Homeownership Preservation Foundation (HPF) conducted by GreenPath. You can refer the borrower to call or provide a warm transfer to 1-888-776-6652 which is specific to Newrez to obtain an eligibility certificate

Step 3: HPF/GreenPath will complete the eligibility certificate in Newrez's name (based on gross income and property address), email the certificate to the borrower and schedule a counseling call within 2-3 business days

Step 4: A counseling session will be conducted (**by HPF/GreenPath only**) with at least one qualifying borrower although all borrowers are strongly encouraged to attend the counseling session
- A \$99 fee will be collected from the borrower at time of counseling session (ACH, VISA or MasterCard) and noted in Section B on CD (before closing). This fee is considered an APR fee

Step 5: Upon completion of counseling session, the counselor will issue a counseling certificate and email the Freddie Mac BorrowSmart® Program: Certificate of Completion of Pre-purchase Homeownership Counseling packet to the consumer

Step 6: Once consumer forwards packet to you, proceed to closing, provide the credit and notate as a Grant in Section L (Section J will also be accepted). **Note:** If the borrower's income changes a new certificate will be needed. The lender will request an updated certificate from HPF/Greenpath and the updated certificate will need to match LPA

Step 7: Send the file to Newrez for purchase and include the BorrowSmart packet. Newrez will review and add the grant amount to the Purchase Advice