

Freddie Mac

AMI Programs



BorrowSmart LIP Program Overview

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

BorrowSmart Low Income Purchase (LIP)

\$1,250 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

Grants:

If a grant is being issued, provide the applicable monetary credit and notate as a Grant in Section L (Section J will also be accepted).

Process Overview

- 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 (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
- 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

Home Possible VLIP Program Overview

Product Name = I18 Home Possible 30-year Fixed
JJ6 Home Possible 30-year Fixed with Affordable Second
2565 Home Possible Plus 30 Year Fixed Rate
2566 Home Possible Plus 30 Year Fixed w/ Affordable 2nd
Fixed Rate: 10 to 30 Year Terms Available
ARM Options Available with Home Possible

Home Possible Plus* Very Low-Income Purchase (VLIP)

\$2,500 for borrower(s) whose qualifying income is less than or equal to 50% of Area Median Income (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

Step 1: Determine borrower eligibility through your standard loan application process using the [Freddie Mac Income and Property Eligibility Tool](#) and provide gross qualifying income to the borrower

Step 2: For Purchase Transactions:

- Must be completed by at least one borrower when all occupying borrowers are first time homebuyers
- Must be completed prior to the Note Date
- Must not be provided by an interested party to the transaction, the Client or Newrez

Step 3: The following types of homeownership education are acceptable

- Programs provided by HUD approved counseling agencies, Housing Finance Agencies (HFA's) or Community Development Financial Institutions (CDFI's)
- Freddie Mac's free financial literacy curriculum, [CreditSmart Homebuyer U- With Certificat](#)
- Borrower completes online [CreditSmart Homebuyer U-With Certificate](#) that includes modules 1 through 6
- Homeownership education programs provided by mortgage insurance companies or other provider programs that meet the standards of the [National Industry Standards for Homeownership Education and Counseling](#)

*Home Possible Plus is a Newrez naming convention and will not be found in Freddie Mac guidelines