

Announcement # 24-18

Date: February 29, 2024

Temporary Down Payment Assistance Product Enhancement for Fannie Mae HomeReady[®] and Freddie Mac Home Possible[®]

Pennymac is pleased to announce a new down payment assistance (DPA) enhancement to the Fannie Mae HomeReady and Freddie Mac Home Possible products. The enhancement includes a \$2,500 assistance amount for very low-income purchase (VLIP) borrowers that can be used for down payment and closing costs.

Fannie Mae HomeReady

Effective immediately, eligible HomeReady purchase borrowers may receive \$2,500 assistance, if the loan meets certain requirements:

- The loan must be underwritten in DU and receive an Approve/Eligible.
- The borrower(s) must have qualifying income less than or equal to 50% of the area median income limit for the property's location.
- The full amount of the assistance must be applied directly to the borrower through the transaction and applied to down payment and/or closing costs.
- The assistance can fulfill the 3% minimum contribution requirement for loans on single family properties or for loans on 2-4-unit properties with LTV ratios up to 80%.
- Evidence of the \$2,500 assistance to the borrower must be reflected as its own line item in Section L on the final CD, and retained in the loan file. Refer to screenshot example on page 2 of this announcement.
- All other Fannie Mae and Pennymac HomeReady program requirements apply. Please refer to the Fannie Mae VLIP [job aid](#) for assistance.
- Loans must be delivered on or before 1/10/2025.

Freddie Mac Home Possible

Effective immediately, eligible Home Possible purchase loans may receive \$2,500 in assistance if the loan meets certain requirements:

- The loan must be underwritten in LPA and receive a Risk Class of Accept.
- The borrower(s) must have qualifying income less than or equal to 50% of the area median income limit for the property's location.
- The full amount of the assistance must be applied directly to the borrower through the transaction and applied to down payment and/or closing costs.
- The assistance may be used to offset the 3% minimum contribution requirement from borrower personal funds.
- Evidence of the \$2,500 assistance to the borrower must be reflected as its own line item in Section L on the final CD, and retained in the loan file. Refer to screenshot example on page 2 of this announcement.
- All other Freddie Mac and Pennymac Home Possible program requirements apply. Please refer to the Freddie Mac VLIP [job aid](#) for assistance.
- Loans must be delivered on or before 1/10/2025.

Final CD Example:

L. Paid Already by or on Behalf of Borrower at Closing		\$175,615.04
01	Deposit	\$10,000.00
02	Loan Amount	\$162,000.00
03	Existing Loan(s) Assumed or Taken Subject to	
04		
05	Seller Credit	\$2,500.00
Other Credits		
06	Rebate from Epsilon Title Co.	\$750.00
07	VLIP Cash to Close Grant	\$2,500.00
Adjustments		
08		
09		
10		
11		
Adjustments for Items Unpaid by Seller		
12	City/Town Taxes 1/1/13 to 4/14/13	\$365.04
13	County Taxes to	
14	Assessments to	
15		
16		
17		

Please contact your Sales Representative for complete program details and loan purchase requirements.