



TPO Process Document for Home Ready/ Home Possible with DPA

Summary of Loan Features:

For loans that meet Agency <50% AMI requirements, GMFS will be able to provide a \$2,500 DPA.

- 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.
- 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% – all additional funds must comply with the *Selling Guide* requirements for source of funds.
- The grant may not be used as a discount or origination fee.
- All other Standard HomeReady/ Home Possible and Guidelines apply
- Link to Letter: <https://singlefamily.fanniemae.com/news-events/lender-letter-ll-2024-01-homeready-product-enhancement>
- [Guide Bulletin 2024-A \(freddiemac.com\)](#)

Optimal Blue:

- Select Affordable under Loan Program

First Lien Search Criteria

Loan Type: Conforming NonConforming FHA VA Alt-A/Exp. Crit. USDA

Loan Term(s): 30 Yr 25 Yr 20 Yr 15 Yr 10 Yr 7 Yr 5 Yr 40 Yr 4 Yr 2 Yr
Max: 3
 Non-Standard Term Months

Amortization Type(s): Fixed ARM Balloon

ARM Fixed Term(s): 1 Mo 3 Mo 6 Mo 1 Yr 2 Yr 3 Yr 5 Yr 7 Yr 10 Yr Max: 3

Exp. App. Level(s): N/A Level 1 Level 2 Level 3 Level 4 Level 5 Max: 3

Product Type(s): All Standard Affordable HARP Hero/Champion
 HFA/Bond HUD Specialty Reno/Rehab Student Ln CO Refi USDA Streamline
 Expanded Guidelines

- and then Select HomeReady with DPA or HomePossible with DPA as the program. The pricing will be the same as the standard HomeReady/HomePossible, but you must select the DPA program for access to the grant option and to confirm eligibility to the program.

Eligible Product

GMFS- HomeReady w/DPA 30 Yr (FNHR.FNDPA)



Eligible Product

GMFS- Home Possible with DPA (FRHP.FRDPDA)



AUS Requirements:

Follow all standard HomeReady and Home Possible guidelines for DU and LPA in addition to the guidelines below. The Encompass Section below will pass to LPA/DU when the program is selected correctly in OB** (functionality is still being built – in the meantime please contact the lock desk to manually assist).

Functionality of Encompass:

When the correct program is selected in Optimal Blue, the Grant will populate to the correct screen in Encompass which will push accurately to DU/LPA and documentation needed for the CD and closing.

TPOC:

The screenshot shows the 'Loan Application / Loan and Property Information' screen in Encompass. On the left is a navigation sidebar with 'Activities' and 'Workflow' tabs. The 'Workflow' tab is active, showing a list of steps including 'Loan Summary', 'Loan Application', 'Additional Information', 'Lender Loan Information', 'Borrower Information', 'Employment and Income', 'Assets and Liabilities', 'Real Estate', 'Loan and Property Information', and 'Information for Government...'. The '4d. Gifts or Grants You Have Been Given or Will Receive for this Loan' step is highlighted in blue.

The main content area is titled '4d. Gifts or Grants You Have Been Given or Will Receive for this Loan'. It includes a 'Select Borrower Pair' dropdown menu with 'Andy America & Amy America' selected. Below this are checkboxes for 'Does not apply to', 'Borrower', and 'Co-Borrower'. A warning icon indicates that clearing fields without clicking the remove button will result in a blank record and may cause an AUS error. The form contains several input fields: 'Gift / Grant Recipient' (set to 'Borrower'), 'Financial Institution' (set to 'Grant'), 'Asset Type: Cash Gift, Gift of Equity, Grant' (set to 'Grant'), 'Deposited' (set to 'No'), 'Source' (set to 'Federal Agency (FNMA/FRE)'), 'Other Source Description', 'Street Address', 'City', 'State' (set to 'Select an Option'), 'Zip Code', and 'Cash or Market Value'.

Correspondent Lenders

Correspondent lenders must provide the \$2,500 credit to the borrower, which we will then reimburse to the lender during the purchase by GMFS.