



## TPO Process Document for Home Ready/ Home Possible with Grant

### Summary of Loan Features:

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

- 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.
- One or both of the borrowers must be **First Time Homebuyers**
- 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.
- Do not disclose the grant as “other credit”. Just like a gift, it does not go on the LE.
- VLIP Credit is not considered an Interested Party Contribution (IPC)
- 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 grant or HomePossible with grant as the program. The pricing will be the same as the standard HomeReady/HomePossible, but you must select the grant program for access to the grant option and to confirm eligibility to the program.

- GMFS- Home Possible with Grant (FRHP.FRDPA)

- GMFS- HomeReady with Grant (FNHR.FNDPA)

## AUS Requirements:

Follow all standard HomeReady and Home Possible guidelines for DU and LPA in addition to the guidelines below. The Encompass Section below is required to pass to LPA/DU to obtain correct eligibility.

## Functionality of Encompass Connect:

The Grant will need to be populate to the correct screen in Encompass which will push accurately to DU/LPA and documentation needed for the CD and closing. If you have any questions about entering the loan contact the lock desk team.

## TPOC:

Loan Application / Loan and Property Information

Select Borrower Pair  
Andy America & Amy America

Save Next

Gifts or Grants You Have Been Given or Will Receive for this Loan

Does not apply to  Borrower  Co-Borrower

Clearing fields without clicking the remove button will result in a blank record and may cause an AUS error.

Gift / Grant Recipient

Financial Institution

Asset Type: Cash Gift, Gift of Equity, Grant  
Select an Option

Deposited  
Select an Option

Street Address

Source  
Select an Option

Other Source Description

City  State  Zip Code

Amt Applied to Down Payment

Amt Applied to Closing Costs

Cash or Market Value

+ Add a Gift / Grant

Total of Gifts and Grants  
\$

## 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.