



**MFM Bulletin: 003-2026**

**Date:** February 6, 2026

**Subject:** Fannie and Freddie VLIP Credit Extension

We are pleased to announce that Fannie Mae and Freddie Mac have extended the VLIP credit for one year, through February 27, 2027.

This enhancement includes a \$2,500 credit for very low-income purchase borrowers (VLIP) that can be used for down payment and closing costs. The credit will show on the closing disclosure and will be funded by the credit union at closing on eligible FNMA and FHLMC loans. MFM will reimburse the credit union when the loan is purchased.

**Must be an Eligible HomeReady or Home Possible Loan:**

- The borrower(s) must have total qualifying income less than or equal to 50% of the applicable area median income (AMI) limit for the subject property's location.
- At least one borrower on the loan must be a first-time homebuyer.

**Minimum Borrower Contribution:**

- The credit may be used to satisfy the 3% minimum contribution for all loans secured by one-unit properties; or loans secured by 2-4 unit properties with LTV ratios less than or equal to 80%. For loans secured by 2-4 unit properties with LTV ratios greater than 80%, the credit may be applied to down payment after 5% minimum contribution made.

**Job Aids for VLIP Credit:**

- Fields that need to be completed in Blue Sage are shown below:

- **Loan Set Up – Loan Terms – Down Payment Details**

Down Payment Type	Down Payment Source Type	Amount	Explanation
Grant	Federal Agency	\$2,500.00	



- **Borrower Asset screen:**

The screenshot shows the 'Edit an Asset' form with the following fields and values:

- Asset Type:  Financial Account  Other Asset
- \* Account Type: Grant
- \* Institution Name: Federal Agency
- Address: (empty)
- Zip, City & State: (empty)
- Country: United States
- Account in name of: (empty)
- Account Number: (empty)
- \* Current Value/Balance: \$2,500.00
- Detailed Description: (empty)
- Quantity or Shares: 0
- \*\* Asset Status: Not Deposited
- Source of Asset: Federal Agency
- EIN: (empty)

Blue arrows point to the Account Type dropdown, Institution Name text box, Asset Status dropdown, and Source of Asset dropdown.

**For locks with service released investors, please confirm with MFM Secondary Marketing to determine if the VLIP credit is eligible before discussing with your member.**

Please contact Pam Trudeau, VP of Credit Policy at [Pam.Trudeau@memberfirstmortgage.com](mailto:Pam.Trudeau@memberfirstmortgage.com) if you have any questions or concerns pertaining to this update.

Thank you