



MFM Bulletin: 008-2026

Date: March 12, 2026

Subject: Freddie Mac Selling Guide Changes

Freddie Mac has made the following changes to the Selling Guide:

Minimum Indicator Score for Second Homes and Investment Properties

Freddie Mac removed the requirement for a Mortgage to have a minimum Indicator Score of 720 when the subject property is a second home or Investment Property and each Borrower individually, and all Borrowers collectively, will be obligated on seven to 10 financed properties, including the subject property and the Borrower's Primary Residence.

Gift of Equity

For purchase transactions, Freddie Mac added the following requirements when proceeds of a gift of equity exceed the amount needed for closing. The gift of equity may only be:

- Used to pay off or pay down the Borrower's debt at closing when paid by the property seller to the creditor, and/or
- Applied as a principal curtailment

Employment Offer Contingencies

Freddie Mac has updated income commencing after the Note Date to specify that a probationary period of time after employment starts (e.g., 90-day probationary, training or orientation period) is not considered a contingency of the employment offer.

Home Possible

Unsecured loan proceeds may no longer be used as a source of funds for Home Possible Mortgages.

Income Continuance Start Date

Freddie Mac clarified that the "application received date" is the start date for three-year continuance of income for the following sources:

- Child support
- Mortgage differential
- Nonrecurring restricted stock and restricted stock unit awards subject to time-based vesting provisions
- Notes receivable
- Royalty payments (fixed payments)
- Trust income (fixed payment)
- Long-term disability
- Public assistance (e.g., Temporary Assistance for Needy Families)
- Retirement income (not including retirement account distributions as income)
- Survivor and dependent benefit income



Please contact the MFM Underwriting Dept. (underwriting@memberfirstmortgage.com) if you have any concerns pertaining to guidelines and/or eligibility.

Thank you