

Thursday, March 12, 2026

Bulletin #2026-AC-007

NOTICE TO ALL CUSTOMERS

IMPORTANT Freddie Mac Home Possible Program Update

Freddie Mac announced on February 4, 2026, multiple changes to the Home Possible Program via Bulletin [2026-1](#). This bulletin notifies customers of these updates and FLCBank's timing requirement:

Eligible Mortgages

- Super Conforming Mortgages will no longer be eligible as Home Possible Mortgages starting with loan application "finalized" to FLCBank on or after March 16, 2026. Any Home Possible Super Conforming loan currently in the pipeline must close or be purchased on or before April 1, 2026.

Qualifying Income

- The Borrowers' base earnings must be considered for both non-fluctuating and fluctuating employment earnings before any additional employment earnings (i.e., bonus, commission, overtime, tips) may be considered.
- Source of funds: Unsecured loan proceeds may no longer be used as a source of funds for Home Possible Mortgages.

The above requirements must be adhered to starting with loan application "finalized" to FLCBank on or after March 23, 2026. Note that for loan applications dated prior to March 23, 2026, underwritten under prior guidance must close on or before April 12, 2026.

What does the qualifying income policy change mean?

Freddie Mac now requires lenders to use the borrower's base pay hourly wage or salary (whether fluctuating or non-fluctuating) when qualifying the borrower for a Home Possible Mortgage and to determine AMI eligibility before using any additional employment earnings.

Why is this update necessary?

Some lenders were disregarding the use of a borrower's base pay (hourly wage or salary) and instead, qualifying them only using bonus, commission, overtime, tip, etc. They did this to keep the borrower's income under the Area Median Income (AMI) limit. This practice is not permissible, prompting Freddie Mac's bulletin.

Example

Borrower is paid hourly or paid a salary and also receives overtime and bonus.

- Lenders must use the hourly wages or salary in order to qualify the borrower for the Home Possible Mortgage and to determine AMI eligibility. If overtime and bonus are not needed to qualify the borrower and the use of this income would push the borrower to exceed Home Possible AMI limits, the lender can ignore the additional income.
- If the borrower's hourly wages or salary exceed Home Possible AMI income limits, it is not acceptable for the lender to only use overtime, or commission, or tip income to qualify the borrower for Home Possible to stay within AMI limits.

Please contact your [Account Executive or Client Relations Representative](#) if you have any questions.

Please reference full product guidelines posted on the FLCBank website at www.flcbmtg.com. All products are subject to credit and property approval. Program terms and conditions are subject to change without notice. Not all products are available in all states for all dollar amounts. Other restrictions and limitations apply. FLCBank is a registered trademark of Florida Capital Bank, N.A. Member FDIC NMLS 790396 Equal Housing Lender. FLCBank 10151 Deerwood Park Blvd. Bldg. 100, Suite 200, Jacksonville, FL 32256 1.866.295.0014