



Home Value Explorer Point Value Estimate Results in Loan Prospector

A property valuation tool available in Loan Prospector to use in reviewing appraisal results

Loan Prospector® provides a point value estimate for the subject property from Home Value Explorer® (HVE®), Freddie Mac's automated valuation model. The HVE point value estimate should be used to identify which appraisals may need additional review early in the origination process. The HVE point value estimate is not a substitute for an appraisal; you should continue to follow all appraisal best practices.

Key Benefits

- Helps to easily identify potentially inflated appraisal values that may need additional review early in the origination process.
- Free service for Loan Prospector users.

Key Features

- HVE point value estimate on the Loan Prospector Feedback Certificate.
- HVE data elements on the Loan Prospector Feedback Certificate that provide information on the accuracy of the HVE results:
 - HVE point value estimate
 - HVE Variance
 - Forecast Standard Deviation (FSD)
 - Confidence Level
- HVE variance is the percentage difference between the HVE point value estimate and property value submitted.
- Excessive value feedback message is returned if the HVE variance is greater than 20 percent of the submitted value of the property.

HOME VALUE EXPLORER POINT VALUE ESTIMATE RESULTS IN LOAN PROSPECTOR

Receiving HVE Results Through Loan Prospector	<ul style="list-style-type: none">• To receive the HVE point value estimate you must enter the property address in Loan Prospector.• When the data is available, the HVE point value estimate will be returned for the following:<ul style="list-style-type: none">▪ Conventional, conforming and super conforming loan transactions.▪ 1- and 2-unit properties (single-family, condominium and townhouse property types), excluding manufactured housing.
HVE Variance	<ul style="list-style-type: none">• The HVE variance, measured in percentage, is the difference between the HVE point value estimate and the submitted property value. The HVE variance is calculated as follows: $\frac{(\text{Lesser of appraised value/estimated value or purchase price}) - \text{HVE point value estimate}}{\text{Lesser of appraised/estimated value or purchase price}} = \text{HVE Variance \%}$
Using HVE Feedback in the Appraisal Underwriting Process	<ul style="list-style-type: none">• A careful evaluation of each appraisal is a key component of an effective appraisal management process. The HVE results provide you with information that makes it easier for you to identify the appraisals that may require additional information. The HVE feedback information provides you will guidance during the appraisal underwriting process to:<ul style="list-style-type: none">▪ Review the HVE variance▪ Assess property condition and marketability▪ Evaluate local market trends and conditions▪ Determine model accuracy by reviewing the confidence level and FSD▪ Establish escalation criteria for additional appraisal evaluation based on the HVE variance

Learn more about Loan Prospector's Home Value Explorer Point Value Estimate Results:

- Freddie Mac Seller/Serviceers: 800-FREDDIE
- Third-Party Originators: 888 LP ON WEB
- Visit LoanProspector.com