

The Uniform Collateral Data Portal® (UCDP®) is a single portal for the electronic submission of appraisal data files to Freddie Mac and Fannie Mae and facilitates the electronic collection of appraisal report data. Appraisal report forms for all conventional mortgages delivered to Freddie Mac, must be submitted to the UCDP if an appraisal is required. The UCDP automatically provides Freddie Mac-specific appraisal messages for UAD-supported appraisal form submissions and Loan Collateral Advisor® Findings messages when an appraisal data file is submitted. These proprietary messages include information about:

- Specific appraisal issues (when they exist).
- Loan Collateral Advisor risk score.
- Appraisal eligibility for collateral representation and warranty relief for property value. The final decision of whether to grant relief, however, is subject to loan eligibility checks in Loan Selling Advisor®.

The messages are intended to help Sellers in evaluating appraisal quality, potential collateral risk, and provide an eligibility decision for collateral rep and warranty relief for property value. Use the information in the following sections to assist in accessing, understanding and determining how to use the Freddie Mac proprietary appraisal messages:

- [Accessing Freddie Mac Proprietary Feedback Messages](#)
- [Understanding the Appraisal Messages Returned](#)
- [Using the Messages to Improve Your Loan Origination Process](#)
- [Additional Resources](#)



This reference explains how to access the Freddie Mac proprietary messages through the Web-based interface. These messages are also available if you use a vendor-provided solution with an integrated system interface to the UCDP.

## Accessing Freddie Mac Proprietary Feedback Messages

You can access the Freddie Mac proprietary appraisal messages for a given appraisal within the UCDP from the *Appraisal: View/Edit* page or on the Freddie Mac Submission Summary Report (SSR). When Freddie Mac-specific appraisal messages are returned, you will see Freddie Mac-specific proprietary Hard Stop codes (Hard Stop FRE000, FRE001, FRE700 and/or FRE800) under the *Freddie Mac* tab within the Hard Stops section as shown in the example below.

The screenshot shows the 'Appraisal 1: Hard Stops' section of the UCDP interface. The 'Freddie Mac' tab is selected and highlighted with a red circle and arrow. The findings are organized into three main sections:

- Freddie Mac Findings (one or more fatal):**
  - Hard Stop FRE700 Found:** Please review the Freddie Mac findings with a Fatal severity below for more detail. You may upload a new or corrected file using File Operations above.
- Collateral R&W Relief Ineligible:**
  - Hard Stop FRE001 Found:** This appraisal is ineligible for collateral representation and warranty relief. Please review the Freddie Mac findings below for more detail. You may upload a new or corrected file using File Operations above.
  - Override Request Reason:** Automated override request. **User ID:** SYSTEM
  - Override Decision:** Override automatically approved. **User ID:** SYSTEM
- Freddie Mac Findings (one or more warnings):**
  - Hard Stop FRE800 Found:** Appraisal failed one or more Freddie Mac findings classified as a warning. Please review the Freddie Mac findings with a Warning severity below for more detail. You may upload a new or corrected file using File Operations above.
  - Override Request Reason:** Automated override request. **User ID:** SYSTEM
  - Override Decision:** Override automatically approved. **User ID:** SYSTEM

At the bottom of the screenshot, the 'Appraisal 1: Findings' section is visible, showing a table with columns for Message ID, Form Section, Form Field Name, Datapoint Name, Property Affected, Action Message, and Severity.

When the collateral rep and warranty relief message is returned, you will see Freddie Mac Hard Stop code FRE000 or FRE001 regarding eligibility. Hard Stop code FRE000 indicates the appraisal is eligible for collateral rep and warranty relief for property value, whereas, Hard Stop code FRE001 indicates the appraisal is not eligible for collateral rep and warranty relief for property value.

When Freddie Mac Hard Stop code FRE700 is returned, it indicates the submission status is “Not Successful” and associated [fatal messages](#) must be resolved before the loan is sold to Freddie Mac. **Freddie Mac Hard Stop code FRE800 and associated messages, however, are [warning messages](#) and have no effect on a "Successful" submission status in the UCDP.**

To access the Freddie Mac-specific appraisal messages associated with the Hard Stop code(s), select the *Freddie Mac* tab in the Findings Section as shown in the example below.

Message ID	Form Section	Form Field Name	Datapoint Name	Property Affected	Action Message	Severity
FRE4005	N/A	N/A	N/A	N/A	This appraisal is not eligible for representation and warranty relief for property value.	Warning
FRE4020	N/A	N/A	N/A	N/A	LCA Risk is assessed at 5 indicating a Very High risk of overvaluation.	Warning
FRE4111	Reconciliation	Indicated Value by: Sales Comparison \$	Value Indicated By Sales Comparison Amount	Subject	The appraised value (\$500,000) is greater than the indicated value by Sales Comparison Approach (\$92,000). Please obtain an updated appraisal and resubmit.	Warning
FRE4150	N/A	N/A	N/A	N/A	Modeled sale data indicates that there are no sales with a sale price higher than the reported opinion of value. Please review LCA and report sales to ensure that the appraiser has provided the most relevant and representative sales for the subject.	Warning
FRE4151	Reconciliation	Market Value	Property Appraised Value Amount	Comparable Sales	The appraiser's opinion of market value of \$500,000 is 222.8% greater than the unadjusted sale prices of all provided comparable sales and listings. Please confirm the appraiser's opinion of market value is accurate and adequately supported by the provided sales/listings.	Warning
FRE4152	N/A	N/A	N/A	N/A	The appraiser's opinion of market value of \$500,000 is greater than the adjusted sale prices of all provided comparable properties. The appraiser's opinion of market value is not supported by the comparable properties and does not meet	Warning

You can also access the Hard Stop codes and messages under the Hard Stops and Findings section of the SSR as shown below. Within the SSR Report, scroll down to “Freddie Mac Proprietary Hard Stops” to view the Hard Stops and severity; and “Freddie Mac Proprietary Edit Findings” section to view the appraisal messages.



UCDP Submission Summary Report (SSR)			
Doc File ID		Report Date/Time	10/24/2018 15:57:08
Document File Status (FRE)	Successful	Seller/Service Number	
Lender Name		Lender Loan Number	

Appraisal 1			
Original Submitted Date/Time	10/04/2018 10:00:21	Document Status	Successful
Number of Resubmissions	0	Form Type	FNM100M/FRE 70

Supervisory Appraiser			
Appraiser	Tammy J. Bonick FL / Cert Res RD4172	Borrower Name	Veros Borrower
Comps	Comp Address	Adjusted Sale Price	
Comp1		\$112910	
Comp2		\$79530	
Comp3		\$86050	
Comp4		\$96040	
Comp5		\$119880	
Comp6		\$130214	

**UCDP Hard Stops** **Freddie Mac Proprietary Hard Stops and Severity**

Message ID	Form Section	Form Field Name	Property Affected	Full Message Description	Severity	Override Request Reason	Override Decision Reason	Override Decision Date/Time
No findings returned								
<b>Freddie Mac Proprietary Hard Stops</b>								
FRE001	N/A	N/A	N/A	Collateral R&W Relief Not Eligible	Warning	Automated override request	Override automatically approved	10/04/2018 10:00:32
FRE800	N/A	N/A	N/A	Freddie Mac Findings (one or more warnings)	Warning	Automated override request	Override automatically approved	10/04/2018 10:00:32
<b>UAD Compliance Findings</b>								
No findings returned								

**Freddie Mac Proprietary Edit Findings** **Freddie Mac Proprietary Appraisal Messages and Severity**

Message ID	Form Section	Form Field Name	Property Affected	Full Message Description	Severity	Override Request Reason	Override Decision Reason	Override Decision Date/Time
FRE4005	N/A	N/A	N/A	This appraisal is not eligible for representation and warranty relief for property value.	Warning	N/A	N/A	N/A
FRE4020	N/A	N/A	N/A	LCA Risk is assessed at 5 indicating a Very High risk of overvaluation.	Warning	N/A	N/A	N/A
FRE4111	Reconciliation	Indicated Value by: Sales Comparison \$	Subject	The appraised value (\$500,000) is greater than the indicated value by Sales Comparison Approach (\$92,000). Please obtain an updated appraisal and resubmit.	Warning	N/A	N/A	N/A
FRE4150	N/A	N/A	N/A	Modeled sale data indicates that there are no sales with a sale price higher than the reported opinion of value. Please review LCA and report sales to ensure that the appraiser has provided the most relevant and representative sales for the subject.	Warning	N/A	N/A	N/A

## Understanding the Appraisal Messages Returned

The proprietary messages offer an earlier view into appraisal quality and potential collateral risk by:

- Providing you with feedback regarding appraisal submissions that may not meet certain Freddie Mac requirements.
- Identifying appraisal findings that Freddie Mac may review post-purchase for a specific appraisal submission.
- Providing specific data relative to certain findings to assist you in managing risk and help you achieve greater certainty.
- Indicating whether or not the appraisal report is eligible for collateral rep and warranty relief for property value.

Messages may appear as fatal or warning severity in the Findings section of the Freddie Mac tab:

- **Fatal severity messages** – When a message with a severity of “Fatal” is returned, the submission status is “Not Successful”. The Freddie Mac Findings Hard Stop (FRE700) that appears in conjunction with these messages must be cleared before the loan can be delivered to Freddie Mac.

These messages indicate there’s an issue with certain critical data elements. For example, the appraiser’s name or legal description is missing from the appraisal. To clear the messages, an updated appraisal must be submitted to the UCDP before a “Successful” status can be received.

- **Warning severity messages** – When a message with a severity of “Warning” is returned, it does not impact a “Successful” submission status and is not required to be cleared. The Freddie Mac Findings Hard Stop codes (FRE000, FRE001 and FRE800) that appear in conjunction with these messages are automatically overridden.

These warning severity messages are specific, actionable and focused on areas Freddie Mac is evaluating for consistency or informational, such as:

- Messages to indicate appraisal eligibility for collateral rep and warranty relief for property value for eligible 1-unit properties.
- Messages to indicate the Loan Collateral Advisor risk score eligible 1-unit properties.
- Messages on appraisal data accuracy for data validated against external data sources or against previously submitted appraisals.
- Messages to indicate if there may be an excessive value or if Home Value Explorer<sup>®1</sup> (HVE<sup>®1</sup>) is unable to evaluate the appraised property address.
- Messages on the selection of comparables.
- Messages on appraisal eligibility. The presence of these feedback messages may indicate that the appraisal and associated mortgage do not meet Freddie Mac *Single-Family Seller/Service Guide* (Guide) requirements and would not be eligible for delivery to Freddie Mac. For example, if the appraisal report indicates that the present use of the subject property as improved (or as proposed) does not represent the highest and best use as improved as indicated in the Guide, the mortgage is not eligible for sale to Freddie Mac.

---

<sup>1</sup> HVE is a Freddie Mac Automated Valuation Model (AVM) tool that generates an estimate of property value

For a complete list of [Freddie Mac proprietary appraisal messages](#), and the latest announcements on future messages, refer to the [Freddie Mac UCDP Web page](#).

 Future enhancements to the UCDP will incorporate additional messages as part of our continuing effort to provide a more in-depth view into the quality and accuracy of appraisal submissions. These enhancements may continue to change the severity of certain Freddie Mac proprietary appraisal messages from “Warning” to “Fatal” which impact a “Successful” submission status.

## Using the Messages to Improve Your Loan Origination Process

Many of the messages are provided to help you determine whether the appraisal report accurately reflects the collateral represented in the loan file. When you receive proprietary fatal severity messages, Freddie Mac expects you to reconcile the message in your appraisal review process and submit an updated appraisal report to the UCDP before selling the related mortgage loan to Freddie Mac.

When you receive proprietary warning messages, you should consider the messaging in your appraisal review process, confirming that any material differences are addressed in the report before selling the related mortgage loan to Freddie Mac. In some cases, an updated appraisal report may be required to explain or reconcile material concerns. Submitting appraisals to the UCDP early in your process allows greater time for reviewing and reconciling concerns before the loan closes.

 **Freddie Mac Enhanced Relief Refinance<sup>®</sup> Mortgages Reminder:** Two messages that may be returned include a condition rating and a quality rating. If the mortgage is an Enhanced Relief Refinance Mortgage, as provided in Guide Section 4304.7 (b), Freddie Mac will accept an appraisal report with a UAD condition rating of C5 or C6 and/or a UAD quality rating of Q6 completed on an “as-is” basis; the appraisal does not have to be completed “subject to” needed repairs being completed.

### What to Keep in Mind

- We recommend using the Loan Collateral Advisor risk score and findings that are returned as proprietary messages in the UCDP report to help you manage and remediate appraisal quality issues earlier in the review process and to help you determine the level of attention required.
- You can also find additional information within Loan Collateral Advisor to help with the review process. For example, the detailed analysis of sales and listing information under the *Comparables* tab in Loan Collateral Advisor may help you determine the relevance of the comparable sales selected to the pool of available sales. It includes a ranking of comparables – both appraisal-supplied and Loan Collateral Advisor-supplied; photos; location maps with access to aerial and street views; value comparisons using scatter plots; and access to external data research tools such as Google, Trulia, and Realtor.com. If you don’t already have access to Loan Collateral Advisor, contact your Freddie Mac representative for assistance.
- Your appraisal review should conclude that the appraisal is accurate and has no material deficiencies.
- Certain messages rely on data available through public record sources, such as tax assessor data, as well as Freddie Mac’s portfolio. When data discrepancies exist, ensure that the information provided within the report is correct and supported.

### ***When Potential Collateral Risk Remains***

Freddie Mac recommends establishing specific criteria for escalating the review of appraisals based upon the potential collateral risk. If the underwriter concludes that the appraisal does not provide sufficient information to accurately support the collateral, we recommend the following escalation process to determine the validity of the appraisal:

- Escalate the appraisal for additional review by a senior underwriter or in-house appraiser, if available.
- If after additional review, there are still concerns regarding the appraisal, contact the appraiser to resolve any questions and/or concerns. Any changes to the opinion of market value may be made only by the original licensed or certified appraiser:
  - If valid concerns about the appraisal are resolved with the original appraiser, the appraiser must fully document the rationale for any changes made to the appraisal, including changes in value and/or the use of additional comparables.
  - If valid concerns about the appraisal cannot be resolved with the appraiser, reject the original appraisal and obtain a second appraisal. You must ensure that any new appraisal order is compliant with Appraiser Independence Requirements (AIR).
- If the appraiser amends the value or a second appraisal is obtained, submit the updated appraisal to the UCDP.

### **Additional Resources**

For more information, refer to:

- *Single-Family Seller/Servicer Guide* (Guide)
  - Guide Sections 5601.12: Property Description and Analysis; and 5601.14: Appraisal Data and Delivery
  - Guide Form 71: Market Conditions Addendum to the Appraisal Report
- Learning Center Resources ([www.FreddieMac.com/learn/](http://www.FreddieMac.com/learn/))
  - [Understanding UCDP Proprietary Risk Score Messages](#)
  - [Collateral Representation and Warranty Relief with an Appraisal: Uniform Collateral Data Portal Information](#)
  - [Reminders for Uploading Appraisal Data Files to the Uniform Collateral Data Portal \(UCDP\)](#)
  - [Appraisal Review Reminders reference](#)

This document is not a replacement or substitute for the information found in the *Freddie Mac Single-Family Seller/Servicer Guide* or terms of your Master Agreement or other Pricing Identifier terms.

© 2018 Freddie Mac