

Using Home Value Explorer® (HVE) via Loan Product Advisor® for Relief Refinance Mortgages



Seller/Servicers may determine the value of the Mortgaged Premises for certain Freddie Mac Relief Refinance MortgagesSM using a point value estimate from Home Value Explorer® (HVE®) on eligible properties instead of obtaining a new appraisal. HVE is part of Freddie Mac's Home Value Suite of tools that automates the collateral valuation process. For complete information on Freddie Mac's Relief Refinance offering, including information on the properties eligible for using a point value estimate from HVE, refer to Freddie Mac *Single-Family Seller/Servicer Guide* (Guide) Chapter 4302 (Freddie Mac Relief Refinance Mortgages – Same Servicer) and 4303 (Freddie Mac Relief Refinance Mortgages - Open Access). For detailed information on HVE, refer to www.FreddieMac.com/hve/hve.html.

The information in this reference is divided into two sections and contains instructions for:

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 - [Relief Refinance Mortgage – Open Access Requirements for Using HVE](#)
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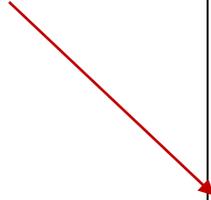
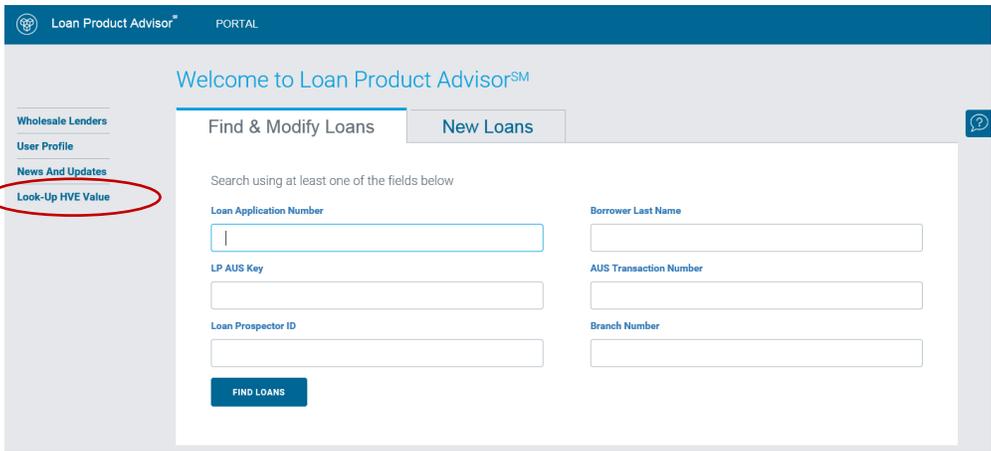
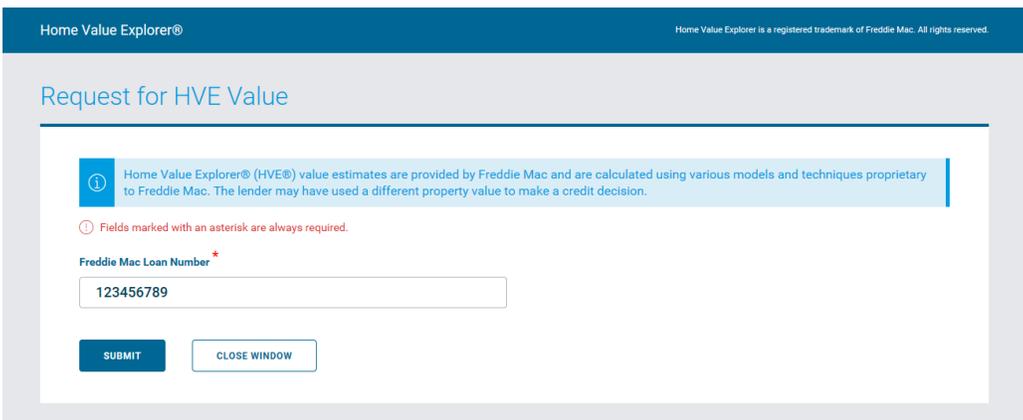
Section I: SAME SERVICER

Accessing the HVE Tool for Relief Refinance Mortgages – Same Servicer

The information provided in this section applies to Seller/Servicers eligible to use the HVE tool to determine the property value for eligible Relief Refinance Mortgages – Same Servicer. Seller/Servicers currently using Loan Product Advisor through the Freddie Mac Loan Advisor Suite® portal can access the HVE point value estimate look-up tool. To use the HVE tool to obtain a value for a Relief Refinance Mortgage – Same Servicer, you need:

- Your Loan Advisor Suite user name and password
- The Freddie Mac loan number on the existing loan

To access this tool, log in to Loan Product Advisor through the Loan Advisor Suite portal, then follow the steps in the table below:

Step / Action	Result / Notes
<p>1. Click Look-Up HVE Value.</p> 	<p>The Loan Product Advisor Main page displays with Look-Up HVE Value in the left navigation bar:</p>  <p>The Look-Up HVE Value link only appears based on User Name and Password eligibility.</p>
<p>2. Enter the loan number in the Freddie Mac Loan Number field. Click Submit.</p>	<p>The Request for HVE Value page displays.</p> 

Step / Action	Result / Notes
	<p>If the request is successful (an HVE Point Value exists for the loan number and associated property address), the HVE Request Results page appears.</p> <div data-bbox="505 348 1528 1058" style="border: 1px solid #ccc; padding: 10px; background-color: #f9f9f9;"> <p style="text-align: center; font-size: 0.8em; margin: 0;">Home Value Explorer® Home Value Explorer is a registered trademark of Freddie Mac. All rights reserved.</p> <h3 style="text-align: center; margin: 0;">HVE Request Result</h3> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px 0; background-color: #e0f2f1;"> <p>1 Home Value Explorer® (HVE®) value estimates are provided by Freddie Mac and are calculated using various models and techniques proprietary to Freddie Mac. The lender may have used a different property value to make a credit decision.</p> </div> <p>Freddie Mac Loan Number ██████████</p> <p>HVE Point Value 119998.00</p> <p>HVE Forecast Standard Deviation 0.130</p> <p>HVE Date 07/18/2017</p> <p>Servicer Number ██████████</p> <p>Property Address ██████████</p> <p>Message Please make sure the property address returned for the HVE value request matches the property in your records.</p> <p style="text-align: center; margin-top: 10px;"> PRINT RESULTS NEW LOOK-UP CLOSE RESULT WINDOW </p> </div> <p> Validate the property address of the Mortgaged Premises in the results.</p> <p> For an explanation of each field on the HVE Request Result page, click the field name to access the Glossary Terms, or refer to the HVE glossary terms at the end of this section.</p> <p>If the request is <u>not</u> successful:</p> <ul style="list-style-type: none"> • A message may be returned indicating an HVE point value estimate could not be obtained on the property associated with the submitted loan number. Reasons why this message may be returned include: <ul style="list-style-type: none"> – An HVE point value estimate does not exist for the loan number entered, or – A match to the Servicer Number could not be made • Another message that may be returned when the request is <u>not</u> successful indicates the Freddie Mac Loan Number is not valid.

Step / Action	Result / Notes
	<div data-bbox="597 275 1523 667" style="border: 1px solid #ccc; padding: 10px;"> <p>Home Value Explorer® Home Value Explorer is a registered trademark of Freddie Mac. All rights reserved.</p> <p>HVE Request Result</p> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px 0;"> <p>① Home Value Explorer® (HVE®) value estimates are provided by Freddie Mac and are calculated using various models and techniques proprietary to Freddie Mac. The lender may have used a different property value to make a credit decision.</p> </div> <p>Freddie Mac Loan Number 123456789</p> <div style="border: 1px solid #ccc; padding: 2px; margin: 5px 0;"> <p>Message The Freddie Mac loan number entered is not valid.</p> </div> <p style="text-align: center;"> <input type="button" value="PRINT RESULTS"/> <input type="button" value="NEW LOOK-UP"/> <input type="button" value="CLOSE RESULT WINDOW"/> </p> </div> <p>Reasons why this message may be returned include:</p> <ul style="list-style-type: none"> - The loan number entered does not match a Freddie Mac loan number. To resolve, first check to ensure the loan number was entered correctly. If it was entered correctly, use the Self-Service Lookup tool to ensure the loan number corresponds to a Freddie Mac loan. - The loan is not active – it may be in a delinquent, foreclosure or REO status. - It is an existing loan that had a Freddie Mac settlement on or after June 1, 2009. <p> The Relief Refinance Mortgage must match an active Freddie Mac loan. See Guide Chapter 4302 for more information.</p> <p>If the HVE request is not successful, you must obtain a new appraisal to determine the property value. See Guide Chapter 4302 for more information.</p>
<p>3. Click Print Results to select a printer and initiate printing, or Close Result Window to return to the Request for HVE Value page.</p>	<p>The HVE Request Results page prints or you are returned to the Request for HVE Value page.</p>

Relief Refinance Mortgage – Same Servicer Requirements for Using HVE

Obtaining an HVE value for an existing mortgage does not automatically qualify that mortgage for refinancing as a Freddie Mac Relief Refinance Mortgage – Same Servicer or for determination of property valuation using HVE.

You must review Guide Chapter 4302 for complete information regarding the Relief Refinance Mortgages – Same Servicer option, including special delivery requirements related to the use of HVE point value estimate to determine the value of the Mortgaged Premises.

1. **General Requirements** – To determine the property value for a Relief Refinance Mortgage – Same Servicer using an HVE point value estimate, all of the following requirements must be met:
 - **Eligible Property Types** – The property must be a 1- or 2-unit attached or detached dwelling, or a unit in a Condominium Project or PUD.
 No Manufactured Homes, dwelling on leasehold estates, or if a Seller is permitted to deliver Cooperative Share Mortgages under its Purchase Documents, Cooperative Units.
 - **Forecast Standard Deviation and Confidence Score** – the Forecast Standard Deviation must be no greater than 0.200 (corresponding to a Confidence Score of “H” (high) or “M” (medium)).
 - **HVE Date** – As of the Note Date of the Relief Refinance Mortgage – Same Servicer, the HVE point value estimate may not be more than 120 days old.
 - **Mortgage File** – The Seller must maintain the HVE point value estimate for the Relief Refinance Mortgage – Same Servicer and any information necessary to evidence compliance with the HVE requirements. Upon Freddie Mac’s request, the Seller must provide Freddie Mac with a copy of this HVE documentation.
2. **Seller Representations and Warranties** – When using HVE to determine property value, the Seller:
 - Is relieved of value, internal and external condition and marketability of the Mortgaged Premises for the new Relief Refinance Mortgage provided the Seller has complied with all requirements in the Guide and herein related to use of HVE. If the Seller, as of the Settlement Date, is aware of any circumstances or conditions that would adversely affect the value, condition or marketability of the Mortgaged Premises, the Seller may not use the HVE option and must determine the value of the Mortgaged Premises using a new appraisal.
 - Must ensure all information provided for the purpose of obtaining the HVE point value estimate, including the address of the Mortgaged Premises, is true, complete and accurate.
3. **Delivery** - For special delivery instructions related to the delivery of mortgages for which the Seller determines property value using the HVE point value estimate, refer to Guide Section 4302.3.

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- Properties Affected by Disasters:** Notwithstanding the provisions of Section 5601.2(c), for Relief Refinance Mortgages secured by properties in areas affected by disasters:
- A Seller is not required to obtain a property inspection or new appraisal when a property valuation (either an HVE point value estimate or an appraisal) was relied on prior to a disaster, provided the Mortgage meets the requirements of Chapter 8202; and
 - A Seller can use an HVE point value estimate with a high or medium confidence score after a disaster without obtaining a property inspection or appraisal to determine property condition, provided the Mortgage meets the requirements of Chapter 8202.

This flexibility for Freddie Mac Relief Refinance Mortgages does not impact Servicing requirements. Seller/Servicers must ensure that the Mortgaged Premises are covered by insurance meeting the requirements in Chapter 8202, and in accordance with the terms of the Security Instrument and applicable law. See Section 5601.2(c) for additional information relating to property eligibility requirements for properties affected by disasters.

HVE Glossary Terms: HVE Lookup Tool via Loan Product Advisor

Term	Description
Freddie Mac Loan Number	<p>Definition: Unique nine-digit number assigned to the loan at time of funding. (This refers to the Freddie Mac Loan Number for the existing loan.)</p> <p>When Field Is Used: Required with Request for HVE Value</p> <p>Field Location: Request for HVE Value page and HVE Request Result page</p>
HVE Date	<p>Definition: Date the HVE point value estimate and HVE Forecast Standard Deviation were generated. (HVE point value estimate may not be more than 120 days old as of the Relief Refinance Mortgage Note Date.)</p> <p>When Field Is Used: Received when a Request for HVE Value submission is successful and results are received</p> <p>Field Location: HVE Request Result page</p>
HVE Forecast Standard Deviation (FSD)	<p>Definition: Indicates the accuracy of the estimated value. The lower the FSD, the smaller the error in predicting actual market value. (To use the HVE point value estimate, the HVE Forecast Standard Deviation must not exceed 0.200.)</p> <p>When Field Is Used: Received when a Request for HVE Value submission is successful and results are received</p> <p>Field Location: HVE Request Result page</p>
HVE Point Value	<p>Definition: Estimated value of a property based on a Freddie Mac statistical model that assumes average marketability and condition for the property.</p> <p>When Field Is Used: Received when a Request for HVE Value submission is successful and results are received</p> <p>Field Location: HVE Request Result page</p>
Servicer Number	<p>Definition: Unique six-digit number assigned by Freddie Mac to the Servicer.</p> <p>When Field Is Used: Received when a Request for HVE Value submission is successful and results are received</p> <p>Field Location: HVE Request Result page</p>
Property Address	<p>Definition: Street Name, City, State and Zip Code of property.</p> <p>When Field Is Used: Received when a Request for HVE Value submission is successful and results are received</p> <p>Field Location: HVE Request Result page</p>

Section II: OPEN ACCESS

Using the HVE Messages Returned with Loan Product Advisor Results

A Seller may determine the value of the Mortgaged Premises using an HVE point value estimate for certain Relief Refinance Mortgages – Open Access. You may request to receive or suppress Home Value Explorer® (HVE®) results and other associated HVE messages on the Loan Product Advisor Feedback Certificate for Freddie Mac Relief Refinance Mortgages – Open Access transactions. To opt-in or opt-out of this option, refer to [HVE Results in Loan Product Advisor Request for Change Form](#). If you opt to receive the messages, you can also access them on the Property Valuation Disclosure Form located in the Loan Product Advisor Results.

To determine the value of the Mortgaged Premises using an HVE point value estimate:

Step / Action	Result / Notes
<p>1. Review the HVE messages returned in the Loan Product Advisor Results</p>	<p>The following is an example of the HVE messages returned with the Loan Product Advisor Results:</p> <p>The Y0, Y1 and Y2 messages include information provided directly from the automated valuation model, HVE.</p> <div data-bbox="505 787 1511 1585" style="border: 1px solid black; padding: 10px;"> <p>Property & Appraisal</p> <hr/> <p>CODE MESSAGES</p> <hr/> <p>DC Collateral rep & warranty relief for Relief Refinance Mortgages is determined under the terms of the Relief Refinance Mortgage offering.</p> <hr/> <p>VM 424100.00 is the maximum loan limit allowed for a 1-unit property located in PINELLAS County, FL</p> <hr/> <p>5X Address entered matched to: [REDACTED], ST PETERSBURG FL 33710, Pinellas COUNTY. Please confirm accuracy.</p> <hr/> <p>HY When an appraisal is obtained for Relief Refi-Open Access, Seller is not responsible for value, condition and marketability reps and warranties of Mortgaged Premises. Seller must meet all other requirements of Ch.5601, except that, Seller is not responsible for completeness and accuracy of the appraiser's Mortgaged Premises description, and the accuracy of and support for, the appraiser's opinion of market value of Mortgaged Premises specified in Sec. 5601.12.</p> <hr/> <p>Y0 127863 is the HVE point value estimate of the subject property.</p> <hr/> <p>Y1 0.3 is the HVE Forecast Standard Deviation of the HVE point value estimate of the subject property.</p> <hr/> <p>Y2 Low is the HVE Confidence Level of the HVE point value estimate of the subject property.</p> <hr/> <p>Y4 Home Value Explorer (HVE) point value estimates provided by Freddie Mac. HVE estimates are calculated using models and techniques proprietary to Freddie Mac, are not appraisals and do not indicate Freddie Mac's acceptance of the appraised value or purchase price entered for the subject property. Lender is responsible for the property appraisal and appraisal representations and warranties, regardless of the HVE estimate. Visit FreddieMac.com/valuation for details.</p> <hr/> <p>Y5 The percentage difference between the estimated/appraised value or purchase price and the HVE point value estimate of the subject property is 71%.</p> <hr/> <p>Y6 Review for Accuracy: The Estimated Value of Property or Net Purchase Price submitted for this transaction may be excessive for the local market. The appraisal should be carefully reviewed for this transaction.</p> </div> <p> For an explanation of each of the HVE messages returned in the Loan Product Advisor Results refer to the HVE Glossary: Loan Product Advisor Feedback Certificate at the end of this section.</p>

Step / Action	Result / Notes				
	<p>If the request is <u>not</u> successful, the Y3 message may be returned indicating Loan Product Advisor could not obtain a HVE point value estimate for the submitted property address.</p> <div data-bbox="581 380 1455 625" style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> <p style="text-align: center; color: #4F81BD; font-weight: bold;">Home Value Explorer (HVE) Model Results</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #D9E1F2;"> <th style="text-align: left; padding: 2px;">CODE</th> <th style="text-align: left; padding: 2px;">MESSAGES</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Y3</td> <td style="padding: 2px;">Unable to determine the HVE point value estimate for the submitted address.</td> </tr> </tbody> </table> </div> <p> Reasons why these messages may not be returned include:</p> <ul style="list-style-type: none"> The submitted property address could not be verified to United States Postal Service standards. The property is a newly constructed home and information on the property is not yet available to HVE. The property may be located in an area where HVE does not have enough raw data to generate a value with a sufficient degree of confidence, for example, rural properties. The property is a manufactured home or a 3- to 4-unit property. HVE does not provide data on these property types. In some areas, HVE does not have assessment records and must complete the valuation using the repeat sales method ONLY. In that instance, HVE must have prior transaction information to value. If no prior sales data is available in the area, then there will be no valuation. HVE performs statistical checks on its data. If the variance on that data is too high, HVE will not produce a value. <p>If the HVE request is not successful, you must obtain a new appraisal to determine the property value. See Guide Chapter 4302 for more information.</p>	CODE	MESSAGES	Y3	Unable to determine the HVE point value estimate for the submitted address.
CODE	MESSAGES				
Y3	Unable to determine the HVE point value estimate for the submitted address.				
<p>2. Determine if the HVE results meet the Relief Refinance Mortgages – Open Access requirements</p>	<p>If you are unable to use the HVE point value estimate, you must obtain a new appraisal to determine the property value. See Guide Chapter 4303 for more information.</p>				

Relief Refinance Mortgage – Open Access Requirements for Using HVE

Obtaining an HVE point value estimate does not automatically qualify an existing mortgage for refinancing as a Freddie Mac Relief Refinance Mortgage – Open Access or for determination of property valuation using HVE.

You must review Guide Chapter 4303 for complete information regarding the Relief Refinance Mortgages – Open Access option, including special delivery requirements related to the use of HVE point value estimate to determine the value of the Mortgaged Premises.

1. **General Requirements** – To determine the property value for a Relief Refinance Mortgage – Open Access using an HVE point value estimate, all of the following requirements must be met:
 - **Eligible Property Types** – The property must be a 1- or 2-unit attached or detached dwelling, or a unit in a Condominium Project or PUD (no Manufactured Homes, dwelling on leasehold estates, or if a Seller is permitted to deliver Cooperative Share Mortgages under its Purchase Documents, Cooperative Units).
 - **Forecast Standard Deviation(FSD) and Confidence Score** – the Forecast Standard Deviation must be no greater than 0.200 (corresponding to a Confidence Score of “H” (high) or “M” (medium)).
 - **HVE Date** – As of the Note Date of the Relief Refinance Mortgage – Open Access, the HVE point value estimate may not be more than 120 days old.
 - **Mortgage File** – The Seller must maintain the HVE point value estimate for the Relief Refinance Mortgage – Open Access and any information necessary to evidence compliance with the HVE requirements. Upon Freddie Mac’s request, the Seller must provide Freddie Mac with a copy of this HVE documentation.



When using the HVE values provided on the Loan Product Advisor Feedback Certificate to determine property value for Relief Refinance Mortgages – Open Access, if the Feedback Certificate provides a different HVE value when the mortgage is resubmitted to Loan Product Advisor, we do not prescribe which HVE value must be used, provided all applicable requirements are met.

2. **Seller Representations and Warranties** – When using HVE to determine property value, the Seller:
 - Is relieved of representations and warranties related to value, internal and external condition and marketability of the Mortgaged Premises for the new Relief Refinance Mortgage provided the Seller has complied with all requirements in the Guide and herein related to use of HVE. If the Seller, as of the Settlement Date, is aware of any circumstances or conditions that would adversely affect the value, condition or marketability of the Mortgaged Premises, the Seller may not use the HVE option and must determine the value of the Mortgaged Premises using a new appraisal.
 - Must ensure all information provided for the purpose of obtaining the HVE point value estimate, including the address of the Mortgaged Premises, is true, complete and accurate.
3. **Delivery** - For special delivery instructions related to the delivery of Mortgages for which the Seller determines property value using the HVE point value estimate refer to Guide Section 4303.4.



Properties Affected by Disasters: Notwithstanding the provisions of Section 5601.2(c), for Relief Refinance Mortgages secured by properties in areas affected by disasters:

- A Seller is not required to obtain a property inspection or new appraisal when a property valuation (either an HVE point value estimate or an appraisal) was relied on prior to a disaster, provided the Mortgage meets the requirements of Chapter 8202; and
- A Seller can use an HVE point value estimate with a high or medium confidence score after a disaster without obtaining a property inspection or appraisal to determine property condition, provided the Mortgage meets the requirements of Chapter 8202.

This flexibility for Freddie Mac Relief Refinance Mortgages does not impact Servicing requirements. Seller/Serviceicers must ensure that the Mortgaged Premises are covered by insurance meeting the requirements in Chapter 8202, and in accordance with the terms of the Security Instrument and applicable law. See Section 5601.2(c) for additional information relating to property eligibility requirements for properties affected by disasters.

HVE Glossary Terms: Loan Product Advisor Feedback Certificate

Term	Description
<p>Confidence Level</p>	<p>Definition: An indicator of the likelihood that the HVE point value estimate is accurate. (To use the HVE point value estimate, the Confidence Level must be High or Medium.) The Confidence Level is derived from the FSD and is summarized within High, Medium and Low value ranges:</p> <ul style="list-style-type: none"> • High = FSD of .130 or lower • Medium = FSD of .131 to .200 • Low = FSD of .201 or greater <p>Location: Loan Property & Appraisal Section</p> <p>Message Code Y2: <i>“Confidence Level” is the HVE Confidence Level of the HVE point value estimate of the subject property.</i></p> <p><u>In Addition:</u></p> <ul style="list-style-type: none"> • Message Code Y4: This message is returned as disclaimer to indicate the HVE point value estimate is not a substitute for an appraisal. Representations and warranties of the appraisal of the subject property are still required. <i>Home Value Explorer® (HVE®) point value estimates are provided by Freddie Mac. HVE estimates are calculated using models and techniques proprietary to Freddie Mac, are not appraisals and do not indicate Freddie Mac's acceptance of the appraised value or purchase price entered for the subject property. Lender is responsible for the property appraisal and appraisal representations and warranties, regardless of the HVE estimate.</i> • Message Code Y7: This message is returned when the Home Value Explorer (HVE) results for the Relief Refinance Mortgages – Open Access are in the high or medium confidence level range. <i>To use HVE results in lieu of an appraisal for Relief Refinance – Open Access, the property must be 1 or 2 units, attached or detached dwelling, or a unit in a Condominium project or PUD, and may not be a manufactured home, dwelling on a leasehold estate; or a cooperative unit, if the Seller is permitted to deliver Cooperative Share Mortgages under its Purchase Documents. HVE point value estimate Forecast Standard Deviation must be between 0.000 and 0.200.</i> • Message Code U1: This message is returned when the Home Value Explorer (HVE) results for the Relief Refinance Mortgages – Open Access are in the high or medium confidence level range. <i>Home Value Explorer® (HVE®) point value estimates are provided by Freddie Mac and are calculated using various models and techniques proprietary to Freddie Mac. The Lender may have used a different property value to make the credit decision.</i> • Message Code HY will also be returned: <i>When an appraisal is obtained for Relief Refi-Open Access, Seller is not responsible for value, condition and marketability reps and warranties of Mortgaged Premises. Seller must meet all other requirements of Ch. 5601, except that, Seller is not responsible for completeness and accuracy of the appraiser's Mortgaged Premises description, and the accuracy of and support for, the appraiser's opinion of market value of Mortgaged Premises specified in Sec. 5601.12.</i>

Term	Description
Freddie Mac Loan Number	<p>Definition: Unique nine-digit number assigned to the loan at time of funding. (This refers to the Freddie Mac Loan Number for the existing loan.)</p> <p>Location: General Messages section</p> <p>Message Code ZR: <i>“FMLoan” is the Freddie Mac loan number of the loan being refinanced.</i></p>
HVE Date	<p>Definition: Date the HVE point value estimate and HVE Forecast Standard Deviation were generated. (HVE point value estimate may not be more than 120 days old as of the Relief Refinance Mortgage Note Date.)</p> <p>Location: Transaction Information section (Date/Time Assessed field)</p>
HVE Forecast Standard Deviation	<p>Definition: A statistical measure of the accuracy of the HVE point value estimate. The lower the FSD, the smaller the error in predicting actual market value. (To use the HVE point value estimate, the HVE Forecast Standard Deviation must not exceed 0.200.)</p> <p>Location: Property & Appraisal section</p> <p>Message Code Y1: <i>“FSD” is the HVE Forecast Standard Deviation of the HVE Point value estimate of the subject property.</i></p>
HVE Point Value Estimate	<p>Definition: An estimate based on a Freddie Mac statistical model that assumes average marketability and condition for the property.</p> <p>Location: Property & Appraisal section</p> <p>Message Code Y0: <i>“HVE point value estimate” of the subject property.</i></p>
HVE Point Value Estimate Disclaimer	<p>Definition: Indicates the HVE results for the Relief Refinance Mortgage – Open Access are in the low confidence level range and unable to be used in lieu of the appraisal for a Relief Refinance mortgage. Refer to Message Code HY below for Seller representations and warranties of the appraisal of the subject property.</p> <p>Location: Property & Appraisal section</p> <p>Message Code Y4: <i>Home Value Explorer® (HVE®) point value estimates provided by Freddie Mac. HVE estimates are calculated using models and techniques proprietary to Freddie Mac, are not appraisals and do not indicate Freddie Mac's acceptance of the appraised value or purchase price entered for the subject property. Lender is responsible for the property appraisal and appraisal representations and warranties, regardless of the HVE estimate.</i></p> <p>Message Code HY will also be returned: <i>When an appraisal is obtained for Relief Refi-Open Access, Seller is not responsible for value, condition and marketability reps and warranties of Mortgaged Premises. Seller must meet all other requirements of Ch. 5601, except that, Seller is not responsible for completeness and accuracy of the appraiser's Mortgaged Premises description, and the accuracy of and support for, the appraiser's opinion of market value of Mortgaged Premises specified in Sec. 5601.12.</i></p>

Term	Description
<p>HVE Variance</p>	<p>Definition: A calculation* of the percentage difference between the HVE value and the lowest submitted valuation. The borrower's estimate of value will be used until the appraised value is received and submitted to Loan Product Advisor. Once the appraised value is submitted, it will be compared to the purchase price and the lowest value will be used in the calculation with HVE.</p> <p style="text-align: center;">*HVE Variance % = $\frac{\text{Lesser of appraised value/estimated value or purchase price} - \text{HVE point value estimate}}{\text{Lesser of appraised/estimated value or purchase price} * \text{Difference between HVE point value estimate and appraisal}}$</p> <p>Location: Property & Appraisal section</p> <p>Message Code Y5: <i>The percentage difference between the estimated/appraised value or purchase price and the HVE point value estimate of the subject property is ~x~%.</i></p>
<p>Property Address</p>	<p>Definition: Street Name, City, State and Zip Code of property. Provides the existing Freddie Mac-owned mortgage property data for validation to the property input for the Relief Refinance Mortgages – Open Access submissions.</p> <p>Location: General Messages section</p> <p>Message Code ZY: <i>Standardized Address matched for Relief Refi-Open Access eligibility: ~StanAddrLOne~, ~StanAddrLTwo~, ~StanAddrCnty~. Please confirm accuracy.</i></p> <p> Ensure that all information provided for the purpose of obtaining the HVE point value estimate, including the address of the Mortgaged Premises, is true, complete and accurate.</p>

Excessive Value Message

Even if your organization opts out of receiving HVE messages, you may still receive this message if applicable. The excessive value message will be dependent on an HVE variance percentage, as well as, the transaction type and the HVE Confidence Score. This will help you more easily identify potentially inflated appraisal values.

Message Text: *Review for Accuracy: The Estimated Value of Property or Net Purchase Price submitted for this transaction may be excessive for the local market. The appraisal should be carefully reviewed for this transaction.*

- **When the Excessive Value Message (Y6) Is Returned,** it means Loan Product Advisor has determined that, based on the information obtained from HVE and the information you provided (estimated value, appraised value or purchase price), there is an increased probability that the appraisal may be inflated. Appraisal results that receive the excessive value message have the highest risk of potentially inflated values. Take the time to review your appraisal carefully.
- **When the Excessive Value Message (Y6) Is Not Returned,** it does not mean the appraised value or purchase price entered for the subject property is acceptable. The Seller retains the responsibility for reviewing the appraisal and ensuring the validity of the results, regardless of whether the excessive value message is returned.

HVE's Reliance on the Accuracy of Public Records Data and Tax Assessor Records

Keep in mind that HVE relies on data available through public record sources, such as tax assessor data, as well as Freddie Mac's portfolio.

- Accurate model valuations are dependent upon complete and accurate data. If the model has inaccurate or incomplete data on a property, the point value estimate will be affected.
- For example, additions or significant renovations to a property may not be captured in the tax assessor data used to build the model, resulting in a significant difference between the point value estimate and the appraised value.



When the underwriter concludes that the appraisal information supports the market value due to the quality, condition, local market conditions or other factors, the review is complete and no additional escalation is necessary.

Additional Resources

Refer to the following resources for additional help when underwriting the appraisal report:

- Guide Chapter 4303.3(g)
- Learning Center Resources (www.FreddieMac.com/learn)
- Home Value Explorer web page (<http://www.freddiemac.com/hve/hve.html>)