



TO: Freddie Mac Sellers

August 23, 2017 | 2017-13

SUBJECT: AUTOMATED COLLATERAL EVALUATION ELIGIBILITY

As part of our focus on leveraging big data and advanced analytics in our proprietary models to bring greater efficiencies to the loan origination process, this Guide Bulletin announces an expansion of automated collateral evaluation (ACE) eligibility and updates to our list of Mortgages ineligible for ACE, effective September 1, 2017.

PURCHASE TRANSACTIONS

Bulletin 2017-8 announced ACE, which provides Sellers with the option to waive appraisal requirements for certain Loan Product Advisor[®] Mortgages. The ACE option announced in Bulletin 2017-8 applied only to “no cash-out” refinance transactions.

To further help shorten origination timelines and reduce costs for Sellers and Borrowers while providing greater certainty through collateral representation and warranty relief, as announced in our [August 18, 2017 Single-Family News Center article](#), we are expanding eligibility of this option to include purchase transactions. All requirements for ACE announced in Bulletin 2017-8 apply to purchase transactions.

Guide impacts: Guide Sections 4203.1, 5601.8 and 5601.9

INELIGIBLE MORTGAGES

We are updating the list of Mortgages that are ineligible for an ACE appraisal waiver in Section 5601.9(c)(iv) to include the following:

- Non-arm’s length transactions
- Purchases of REO properties (as identified in the sales contract)
- Texas Equity Section 50(a)(6) Mortgages
- Mortgages with an estimate of value or purchase price greater than \$1,000,000

Additionally, Sellers may not accept the appraisal waiver offer if the Seller is aware of adverse physical property conditions identified in the sales contract, property inspection or disclosure from the Borrower that warrant an appraisal being obtained.

Guide impact: Section 5601.9

CONCLUSION

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call the Customer Support Contact Center at (800) FREDDIE.

Sincerely,



Christina K. Boyle
Senior Vice President
Single-Family Sales and Relationship Management
