At-A-Glance – Loan Product Advisor℠ Enhancements

July 2016 Release – Interface changes, version 4.3.00, usability enhancements and evolution to Loan Product Advisor

Number of Messages Impacted: 1 New Purchase Restriction; 13 New Underwriting; 69 Messages Updated; 3 Messages Removed

Feature	Old	New	Customer Benefit
Cash-to-Close Updates	▪ Messages for assets/ reserves are consolidated in one section of the Feedback Certificate.	▪ The new cash-to-close feedback messages improve your ability to more efficiently process and underwrite loans by providing specifics on the funds the borrower needs to close. ▪ Cash-to-close feedback messages provide lenders clarity and certainty regarding assets to verify and removes the need to verify all cash sources.	▪ **Clarity on cash-to-close fields.** ▪ **Preparing for future visibility into collateral representation and warranty relief.**
Collateral Updates	▪ No representation and warranty indicator.	▪ Place holder for a future Collateral Representation & Warranty Relief offering. ▪ Appraisal Identifier in request and response file.	
New Feedback Certificate	▪ Feedback messages are located in multiple sections of the feedback certificate. ▪ Difficult to maneuver feedback certificate.	The new Loan Product Advisor Feedback Certificate helps you quickly identify and understand key results: ▪ Feedback messages are logically grouped by category (e.g., Employment and Income). ▪ Simple navigation and data visualization makes finding specific results fast and easy. ▪ Actionable feedback messages provide more loan-specific underwriting direction. ▪ New print functionality enables you to print only what you need – e.g., choose to print only the Evaluation Summary section instead of having to print the entire Feedback Certificate.	▪ **More useful and detailed loan-specific feedback to more efficiently drive workflow.**
New User Interface		▪ New Graphical User Interface. ▪ More intuitive user interface providing a consistent experience in alignment with all the Loan Advisor Suite tools.	▪ **Improved browser usability.**
Single Sign-On to Loan Advisor Suite℠ Portal	▪ Users are required to sign onto each of our tools separately.	▪ Lenders who access Loan Product Advisor using the browser through FreddieMac.com will log in through the Freddie Mac Loan Advisor Suite℠ portal. The portal is the single sign-on access window to all of the tools in Loan Advisor Suite (FreddieMac.com/loanadvisorsuite).	▪ **You'll have access to all the tools you're authorized to use in one location without having to sign in separately for each one.**

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November 2015 Release – VA Underwriting Feedback Message Enhancements

Number of Messages Impacted: 30 New VA Messages; 1 Message Removed; 16 Messages Updated

Feature	Old	New	Customer Benefit
Loan Specific VA	▪ Generic income feedback messages relevant to some income types such as alimony/child support, bonus, commissions and overtime are returned for every loan assessed.	▪ Messages relevant to the income type are returned only when that specific income type is provided on the loan.	▪ **More detailed loan-specific feedback.** ▪ **Align with the Department of Veteran Affairs (VA) underwriting guidelines around employment and income.**
New Messages for Other Income Types	▪ Loan-specific feedback messages are not returned for the following income types (that are referred to in the VA Lenders Handbook): military, other, social security, pension, subject property net cash flow, VA benefits/non-educational, trust, unemployment, foster care.	▪ Loan-specific feedback messages returned for available income types. ▪ Return additional expanded Active Duty messages related to Leave and Earning Statements including language on release date from the military and messages related to allowable military pay types.	
New Messages for Employment	▪ Employment requirements are not returned for all of borrowers employment.	▪ Documentation requirements related to a Borrower's Self Employment. ▪ Clarity on documentation requirements for employment gaps greater than 60 days. ▪ Provides documentation requirements pertaining to Active Duty employment within 12 months of release. ▪ Employment feedback messages now represents all current employment.	

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July 2015 Release – Assets and Reserves Enhancements

Number of Messages Impacted: 57 New Messages; 14 Messages Removed; 14 Messaged Updated

Feature	Old	New	Customer Benefit
Reserve Requirements	▪ All reserves submitted require verification. ▪ Reserves required by the *Single-Family Seller/Servicer Guide* (the Guide) for certain scenarios such as investor, Second Home, and 2-4 unit properties receive separate messages.	▪ Indicates the reserves required to be verified based on both the risk of the loan as well as Guide reserve requirements. ▪ Indicates the loan is ineligible for purchase if the reported reserves are insufficient to cover the required reserves for the subject property. ▪ Specific messages are provided for all Guide reserve requirements.	▪ **Streamlines the underwriting process by aligning documentation requirements with the risk of the loan.** ▪ **Provides more transparency into Freddie Mac's requirements.** ▪ **Potentially reduces the number of unnecessary re-submissions.**
Loan-Specific Assets Messages	▪ Generic assets documentation feedback messages are returned for certain asset types. ▪ Assets/Reserves feedback messages are located in multiple sections of the feedback certificate.	▪ Feedback messages are returned for each specific asset type. ▪ Loan-specific feedback messages include specific Guide policy language. ▪ Asset documentation feedback messages include specific Guide policy language. ▪ Messages for assets/reserves are consolidated in one section of the Feedback Certificate.	

At-A-Glance – Loan Product Advisor℠ Enhancements

October 2014 Release – Liabilities Message Enhancements

Number of Messages Impacted: 15 New Messages; 10 Messages Removed; 8 Messages Updated

Feature	Old	New	Customer Benefit
Total Debt Calculation	▪ No indication of which liabilities are excluded from the total debt calculation making it difficult to reconcile to the lender's DTI ratio.	▪ Messages are returned that identify any liabilities that are reported by the lender but excluded from the debt calculation. (This change applies to all loan types including Conventional, FHA and VA loans).	▪ **More useful and detailed loan-specific feedback.** ▪ **More transparency into Freddie Mac's requirements.** ▪ **Increased control over what's included in the debt calculation.** ▪ **Enhanced efficiency with fewer messages to review.**
Loan-Specific Liabilities Messages	▪ Generic liabilities feedback messages are returned for every assessed loan.	▪ Messages for liabilities are returned based on the type of debt. ▪ Loan-specific messages relevant to Revolving and Open-Ended Accounts, Installment Debt and other types of debt are returned when debts are submitted with no payment. ▪ Loans with subordinate financing receive messages that clarify requirements based on the purpose of the refinance.	
Remove Unnecessary Feedback Messages	▪ Multiple contingent liabilities messages are returned on every loan. ▪ Messages are returned regarding the requirement to disclose secondary financing.	▪ Returns loan-specific feedback messages for liabilities – avoids receiving unnecessary messages.	

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June 2014 Release – Usability Enhancements

Number of Messages Impacted: 11 New Messages; 16 Messages Removed; 10 Messages Updated

Feature	Old	New	Customer Benefit
Cash-Out/No Cash-Out	▪ Does not accept a cash-out amount greater than zero for a no cash-out refinance.	▪ The No Cash-Out message triggers in alignment with the Guide which allows nominal cash-out (lesser of $2,000 or 2 percent of loan amount).	▪ **Provides actionable and loan-specific feedback.** ▪ **Increases the number of loans assessed.** ▪ **Improves data quality and highlights data inconsistencies that could cause repurchases.** ▪ **Helps to streamline the customer's loan origination process by reducing workarounds.**
Income	▪ Doesn't accept submission of income losses where the income is reported as negative for any borrower (e.g., from self-employed borrowers).	▪ Allows submission of income losses (e.g., from self-employed borrowers). ▪ Losses can be reported under the appropriate borrower and borrower-specific income messages are generated. ▪ The combined income for all borrowers on the loan must continue to be positive.	
Assets	▪ A nominal asset amount ($1) must be entered to score the loan.	▪ Accepts submission of borrowers with no reported assets. ▪ Assets reported are consistent with the loan application.	
DTI and LTV Data Checks	▪ No checks are performed to ensure HOA dues are entered when Property Type is a PUD, Condo or Co-op. ▪ No checks are performed to ensure data is entered in both fields when there is a dollar amount present in one of the following: *Subordinate Lien Amount and/or HELOC Actual Current Balance and Other Financing (P&I) for the Proposed Monthly Housing Expense.*	▪ Returns messages if HOA dues are not entered for the following property types: PUD, Condo, or Co-op (or vice-versa). ▪ Messaging is provided when there is a balance for subordinate financing but no related housing expense (or vice-versa).	
Loans with Financed MI		▪ Loans with financed MI receive a new feedback message that clarifies how the LTV is determined.	

At-A-Glance – Loan Product Advisor℠ Enhancements

October 2013 Release – Underwriting Income Enhancements

Number of Messages Impacted: 42 New Messages; 5 Messages Removed; 45 Messages Updated

Feature	Old	New	Customer Benefit
Loan-Specific Messages	▪ Generic income feedback messages relevant to some income types such as alimony/child support, base, bonus, commissions, dividends/interest, notes receivable/installment and overtime are returned for every assessed loan.	▪ Messages relevant to the income type are returned only when that specific income type is provided on the loan.	▪ **More detailed loan-specific feedback.** ▪ **Provides more transparency into Freddie Mac requirements.**
New Messages for Other Income Types	▪ Loan-specific feedback messages are not returned for military, other, social security, pension, subject property net cash flow, VA benefits/non-educational, trust, unemployment, mortgage differential, automobile expense account, foster care contract basis incomes.	▪ Loan-specific feedback messages returned for income type(s) available. ▪ Messages contain specific requirements from the Guide to properly document the income.	
User-Friendly Messages		▪ Consistent format (e.g., message starts with type of income followed by the applicable borrower name). ▪ Concise, easy-to-read messaging. ▪ Includes key underwriting documentation requirements.	