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Seller/Servicer Property Valuation Formatting Instructions for Freddie Mac Valuation Data for Loan Prospector Feedback Certificate

Loan Prospector® currently provides valuation data generated by Freddie Mac's proprietary automated valuation model, Home Value Explorer® (HVE®) in the Loan Prospector Feedback Certificate. The certificate contains a number of data elements to assist in your loan manufacturing process.

If you receive Freddie Mac HVE valuation data through a system-to-system data transfer, we are providing instructions for you to follow on extracting and formatting our property valuation data, field definitions and supporting text. Using these instructions, field definitions, and supporting text, Seller/Servicers who are obligated to comply with valuation disclosure requirements pursuant to the Equal Credit Opportunity Act (ECOA) should be able to provide property valuation data and supporting text to loan applicants and borrowers.

When extracting Freddie Mac's property valuation data from the Loan Prospector Feedback Certificate for the purposes of providing valuation information to the loan applicant or borrower, the following Freddie Mac-provided data should be extracted, as applicable:

Loan Information

Borrower Name(s)
Loan Prospector Key Number

Property Information

Address
Purchase Price

Valuation Information

Date/Time Assessed
HVE Point Value Estimate
Estimated Value of Property
Percent Difference

Loan Processing Information Feedback Message Codes

U1 - HVE Point Value Estimate description for HARP or Relief Refinance Mortgages
Y0 - HVE Point Value
Y1 - Forecast Standard Deviation
Y2 - Confidence (Score) Level
Y4 - HVE Point Value Estimate description
Y5 - Percent Difference
Y6 - Review for Accuracy

Seller/Service providers should include the following field definitions regarding the Loan Prospector HVE related feedback messages and field definitions to clarify the information provided to the borrower or loan applicant, as applicable:

Field Definitions

Loan Prospector Key Number: Loan Prospector assigned loan level identifier.

Address: Subject property address.

Purchase Price: Purchase provided by the Seller/Service provider (if applicable).

Date/Time Assessed: The date on which the Loan Prospector transaction was run and the HVE value generated from the HVE database.

HVE Point Value Estimate: An estimate of property value based on a Freddie Mac statistical model (HVE) that assumes average marketability and condition of the property.

Estimated Value of Property: The estimated or appraised value of the property provided by the Seller/Service provider.

Percent Difference: The difference between the Seller/Service provider provided Estimated Value of Property or Purchase Price and the HVE Point Value expressed as a percentage:

$$\frac{(\text{Lesser of appraised/estimated value or purchase price}) - \text{HVE point value}}{\text{Lesser of appraised/estimated value or purchase price}}$$

Rounded to the nearest integer and Multiplied by 100 (%)

Forecast Standard Deviation (FSD): A statistical measure of the accuracy of the HVE point value estimate. The lower the forecast standard deviation returned, the smaller the error in predicting actual market value.

Confidence (Score) Level: A confidence level is a measure providing information about the accuracy of an AVM's value. HVE derives the confidence levels from the FSD and summarizes within high, medium, and low value ranges.

- High = FSD of .001 to .130
- Medium = FSD of .131 to .200
- Low = FSD of .201 to .400

Supporting Text

In addition, the following supporting text should be included, as applicable, if Freddie Mac's valuation data is extracted for the purposes of providing information to the loan applicant or borrower:

Supporting Text When an Appraisal is required for the Credit Decision

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 [Seller/ Servicer Name] may have used a different property value to make its credit decision. An HVE point value estimate does not indicate Freddie Mac's acceptance or rejection of the appraised property value submitted by [Seller/ Servicer Name]. [Seller/ Servicer Name] is responsible for the property appraisal, as well as representation and warranties of the appraisal, regardless of the HVE point value estimate.

If you have questions regarding Freddie Mac's HVE information, please see Freddie Mac's website at FreddieMac.com/valuation.

Supporting Text When an Appraisal **is not required for the Credit Decision**

Home Value Explorer® (HVE®) point value estimates are provided by Freddie Mac and are calculated using various models and techniques proprietary to Freddie Mac. [Seller/ Servicer Name] may have used a different property value to make the credit decision.

If you have questions regarding Freddie Mac's HVE information, please see Freddie Mac's website at FreddieMac.com/valuation.

As a reminder, following these instructions does not relieve you of any compliance obligations under applicable regulatory requirements.

If you have questions, please contact your Freddie Mac representative or call (800) FREDDIE.