



**New England Mortgage Bankers Conference
September 18, 2013**

Providing Greater Purchase Certainty

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Amy Morris – Strategic Offering

What value would you find in having a tool that would assist you in determining that an individual mortgage meets Freddie Mac purchase requirements prior to loan delivery?



Providing Greater Purchase
Certainty

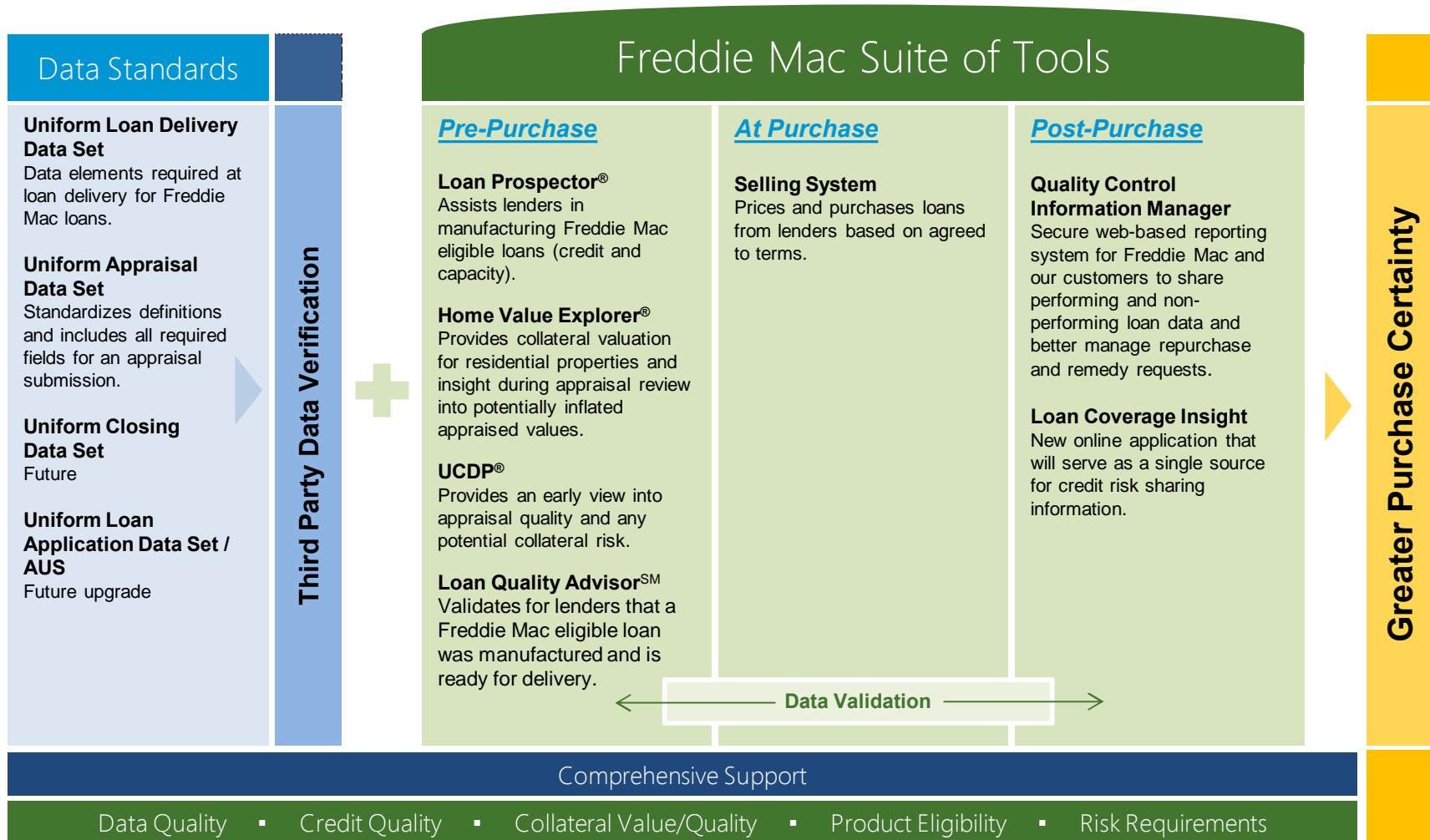
Making it easier for you to do
business in today's housing
market

Tools: Loan Prospector, LQA,
Uniform Collateral Data Portal

What you can expect from us

- Greater certainty to enable better business
 - > A suite of new and enhanced tools and resources to support you throughout the entire loan manufacturing process
 - > Increased transparency into our view of risk and QC file review strategies, findings, and trends
 - > Confidence from knowing the loans you sell to Freddie Mac meet our purchase requirements
- Comprehensive support to help you manage your business
 - > Continuing to work together to support your success under the new representation and warranty framework
 - > Guidance to help you implement market and regulatory changes
 - > Customer education resources
 - > A laser focus on delivering results and providing you with the best possible customer experience

Greater Purchase Certainty Initiative



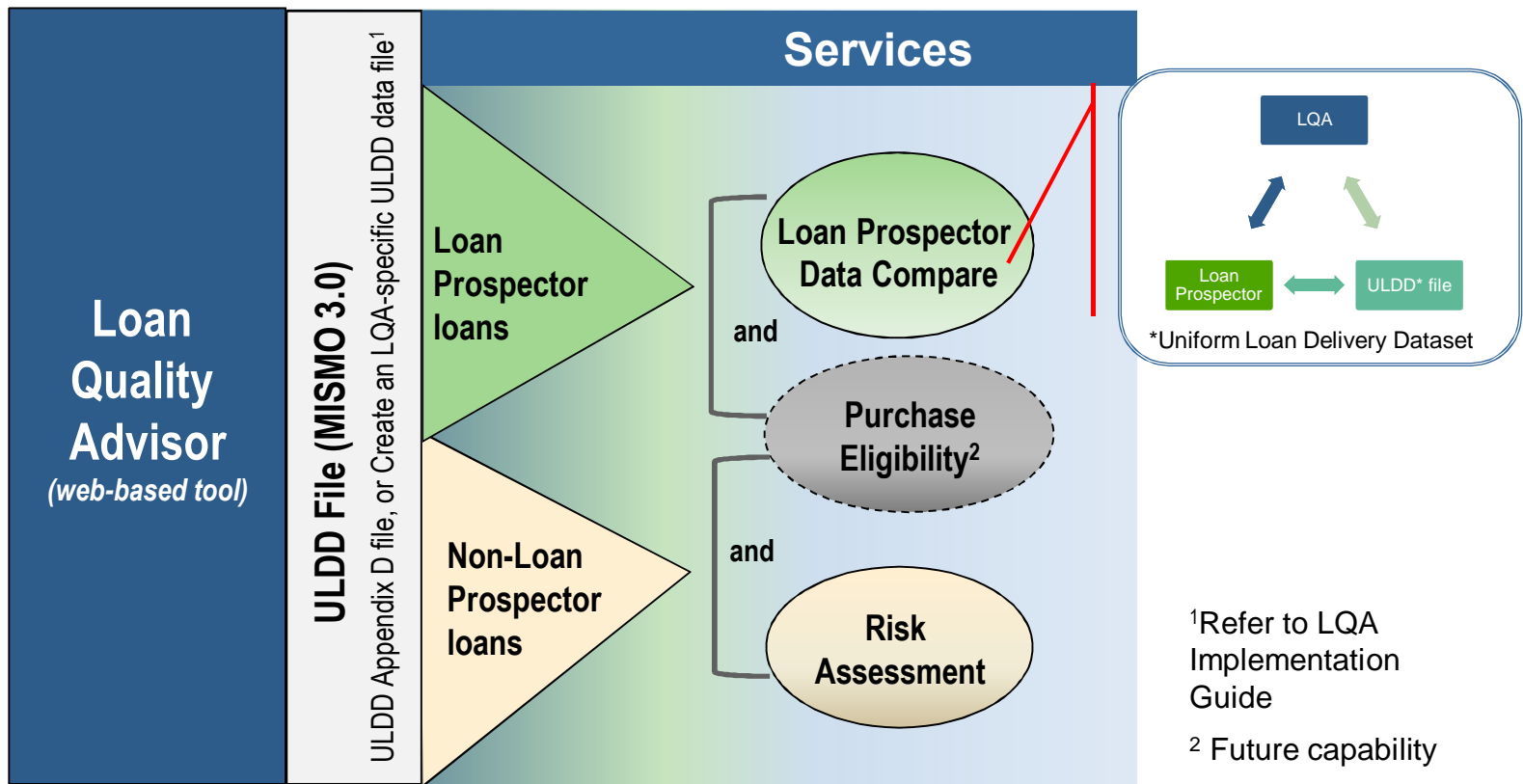
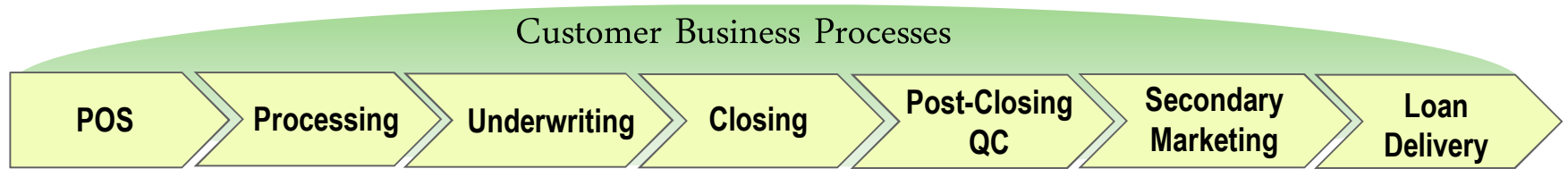
Our tools are designed to support your business

- Freddie Mac's suite of risk and eligibility assessment tools support you throughout the entire loan manufacturing process.
- These tools are how you get transparency into and clarity around our purchase eligibility requirements . and, ultimately, the confidence that comes from greater purchase certainty.
- Plus, we're enhancing our current technology and adding new tools.
- We also offer training and other support resources to ensure successful adoption and usage.

2013 Milestones

- Introduction of **Loan Quality Advisor**, our newest web-based risk and eligibility assessment tool designed to be easily adopted into your business processes.
- Enhanced **Loan Prospector** to provide you with clearer, more detailed feedback on our eligibility requirements and underwriting rules.
- Updated UCDP to implement Freddie Mac proprietary appraisal quality edits to provide an early view of possible appraisal issues.

Loan Quality Advisor Services



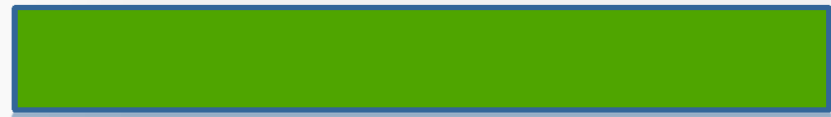
Loan Quality Advisor: Benefits

LP Data Compare



- Provides a comparison view of current loan data submitted to LQA against loan data used in the last Loan Prospector submission
- Identifies data discrepancies prior to loan delivery so that you can take action to ensure the accuracy of the loan's data and the corresponding Loan Prospector result
- Helps maintain the loan's LP Accept risk class so that any representation provided by the use of Loan Prospector can remain valid at loan purchase

Risk Assessment



- Provides a summary of Freddie Mac's view of credit risk for loans not originated using Loan Prospector
- Indicates the likelihood of an LP Accept or LP Caution recommendation if the loan had been submitted to Loan Prospector

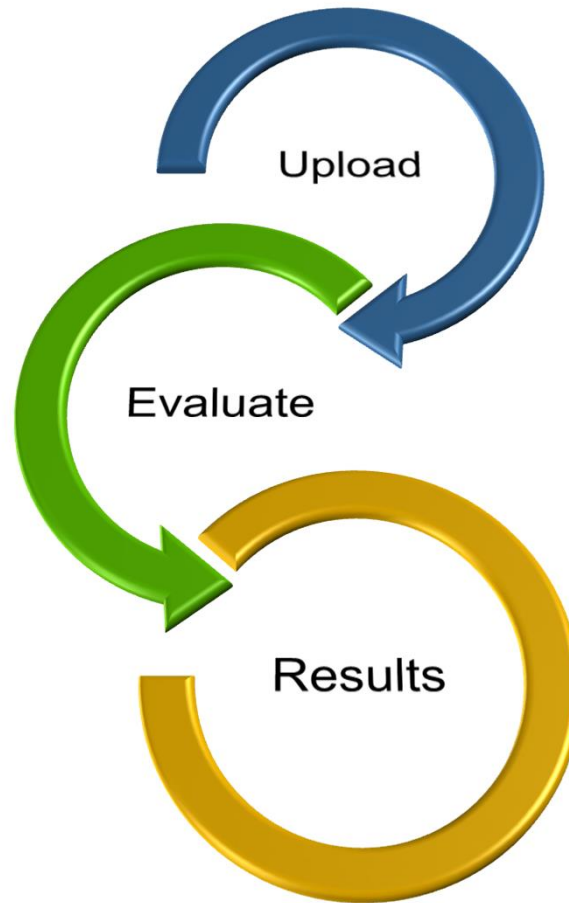
Loan Prospector Data Compare Service



Loan Quality Advisor: Functionality

The Process

- Performs a format check on the file
- Evaluates the file



- Upload a ULDD batch file containing one or multiple loan data files
 - » Must be an acceptable file extension (.xml or .zip)

- **Loan Prospector Data Compare**
Result Indicator: **Green/Yellow/Red**
(or)

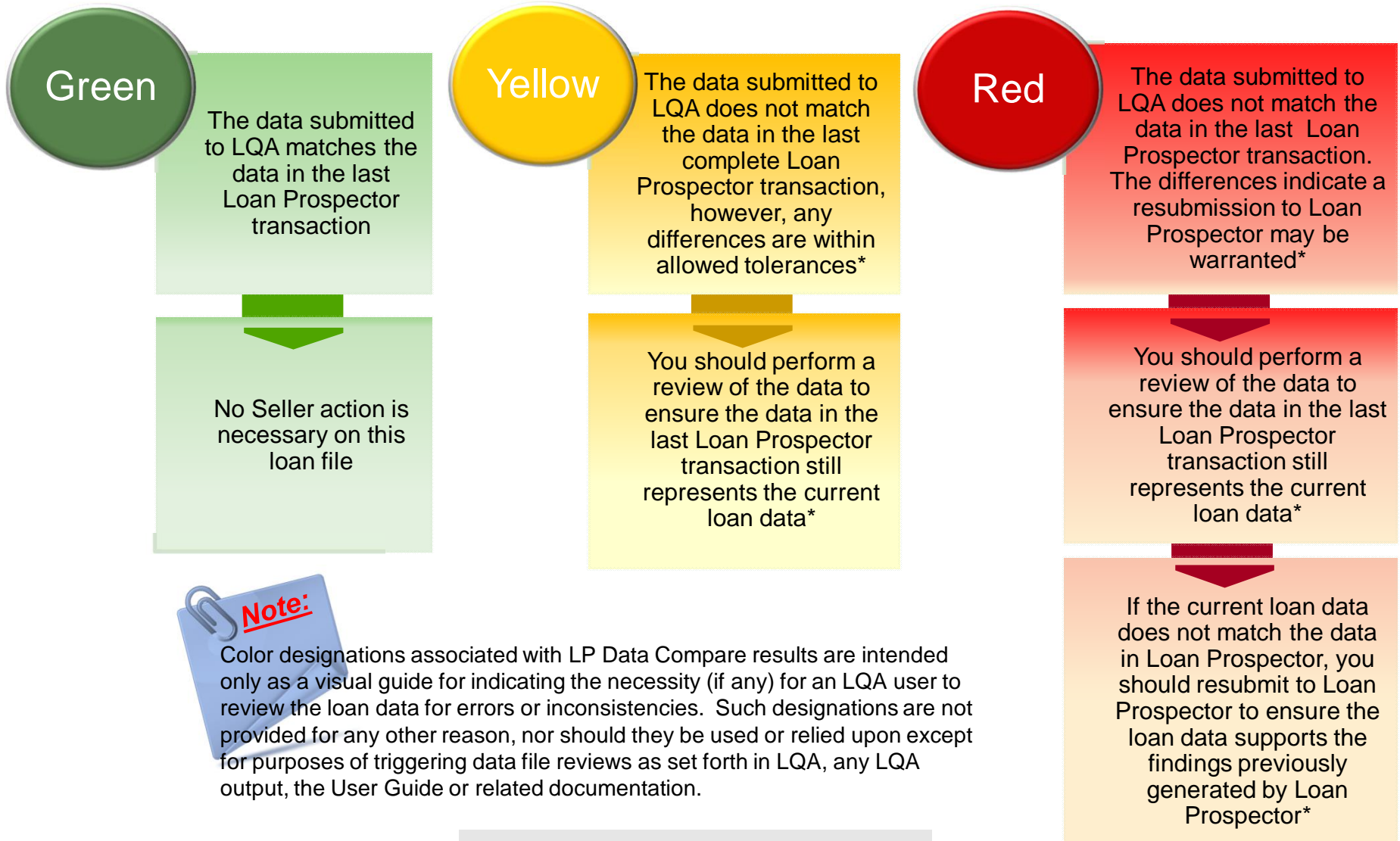
- **Risk Assessment**
Result Indicator: **Green/Yellow**

and,

- **Purchase Eligibility**
A future capability

LQA Integration: Evaluation Results

LP Data Compare Service



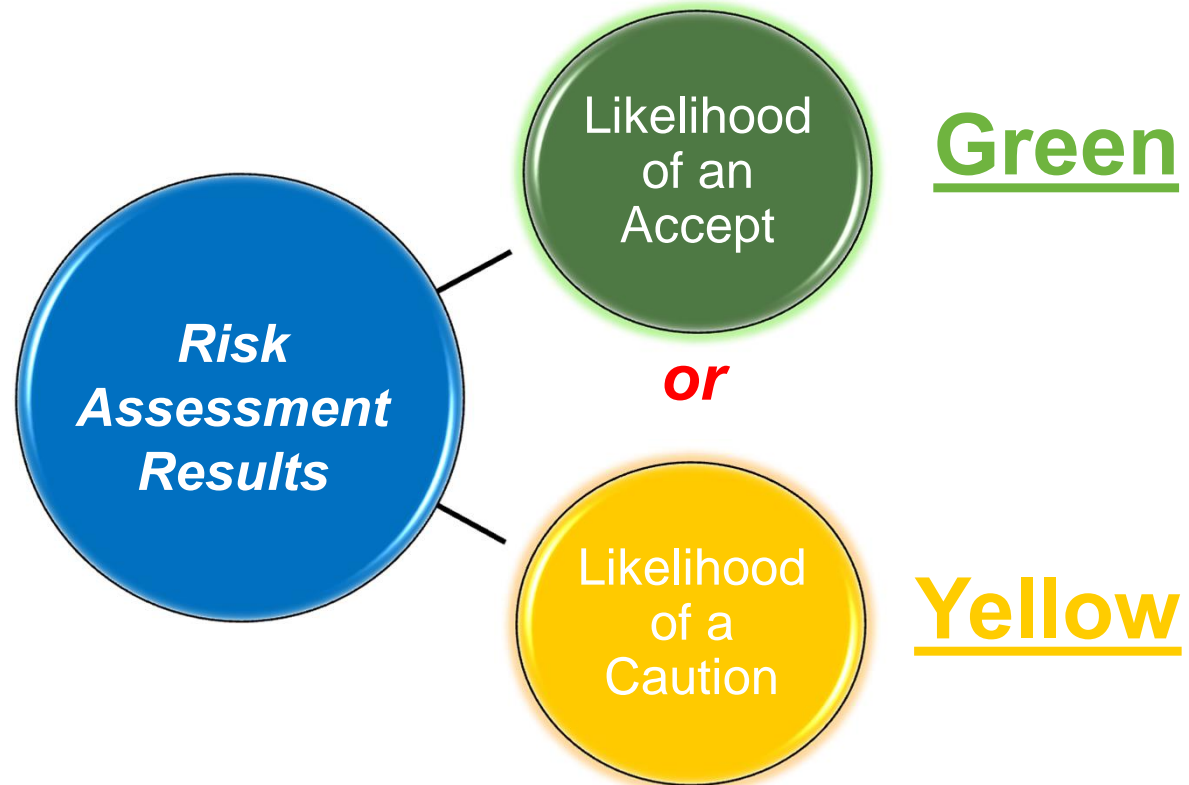
Risk Assessment

Provides a summary of Freddie Mac's view of credit risk for loans ***not*** originated using Loan Prospector



LQA Integration: Evaluation Results

Risk Assessment Service



Note: Color designations associated with Risk Assessment results are intended only as a visual guide for indicating the likelihood of the risk class associated with a data file. Such designations are not provided for any other reason, nor should they be used or relied upon except to identify the results of the risk assessment as set forth in LQA, any LQA output, the User Guide or related documentation.

Functionality: Batch File Results

Summary of Batch Results

Batch Submission ID: 2326

General Batch Information

Seller Number: 202020

User Submission

LQA Services:

- Loan Prospector Data Compare, or
- Risk Assessment

Loan Filtering Criteria

- Loans with All Services Passed
- Loans with Red Result Indicator(s)
- Loans with Yellow Result Indicator(s)
- Loans with Green Result Indicator(s)
- Loans with Errors
- Loans Not LQA Ready

LQA Transaction ID	LQA Ready	LP Data Compare	Risk Assessment	Message Code	Message
5781 (Testcase, Roger)	YES	GREEN	N/A		
5782 (Testcase, Roger)	YES	RED	N/A		
5783 (Testcase, Roger)	YES	RED	N/A		
5784 (Testcase, Roger)	YES	YELLOW	N/A		

Batch Messages:

Summary of Batch Results

Batch Submission ID: 2326

Date/Time of Submission: 2013-05-06 02:18:54 PM

General Batch Information

Seller Number: 202020

User Submission ID:

of Loans Submitted: 4
 # of Loans That Passed all Services: 1
 # of Loans Evaluated: 4
 # of Loans Not Evaluated: 0

Loan Filtering Criteria

- Loans with All Services Passed
- Loans with Red Result Indicator(s)
- Loans with Yellow Result Indicator(s)
- Loans with Green Result Indicator(s)
- Loans with Errors
- Loans Not LQA Ready

LQA Transaction ID	LQA Ready	LP Data Compare	Risk Assessment	Message Code	Message
5782 (Testcase, Roger)	YES	RED	N/A		
5783 (Testcase, Roger)	YES	RED	N/A		

Batch Messages:

Evaluation Results: Loan Evaluation Summary-Green



Home | Help | Loan Prospector | Selling System | Logout

Freddie Mac Loan Quality Advisor

Currently logged in under Seller Number:
[<<Previous Page](#)

Loan Evaluation Summary

LQA Transaction ID: 4175 Batch Submission ID: 1693 Date/Time of Submission: 2013-03-25 12:15:32 PM

GENERAL LOAN INFORMATION			PROPERTY INFORMATION & LOAN TERMS			
Seller Number:	111111		Borrower Name:	Testcase, Roger	Product:	1/1 ARM
User Submission ID:	abc123		Property Address:	8200 JONES BRANCH DR	Amortization Type:	AdjustableRate
LP Key:	25899585		City, State, Zip Code:	MCLEAN,VA,22102	Amortization Months:	360
Seller Loan Identifier:	123456789		Property Usage Type:	PrimaryResidence	Interest Rate:	3.0
			Purpose of Loan:	Purchase	Loan Amount:	\$ 75,000
			Purchase Price:	\$ 100,000	Property Value:	\$ 100,000

EVALUATION RESULTS			CALCULATED VALUES		
SERVICE	RESULT	DETAILS	DTI:	LTV:	TLTV:
LP Data Compare	GREEN	View Results	18 %	75.00 %	75.00 %
Risk Assessment	N/A	View Results			HTLTV: 75.00 %

LP Data Compare Results

LP Transaction Number: 2115917906 LP Date/Time of Submission: 02/11/2013 16:03:04 LP Loan Status: COMPLETE LP Risk Class: ACCEPT

Data Field Value	LQA Value	LP Value	Conclusion	Message Code	Message
Borrower SSN			GREEN		
SSN	150343711	151213762			
SSN	151213762	150343711			
Property Address Line	8200 JONES BRANCH DR	8200 JONES BRANCH DR	GREEN		
Property City	MCLEAN	MCLEAN	GREEN		
Property State	VA	VA	GREEN		
Property Postal Code	22102	22102	GREEN		
Product	1/1 ARM	1/1 ARM	GREEN		
Attachment Type	Attached	Attached	GREEN		
PUD Indicator	true	Y	GREEN		
Project Legal Structure Type			GREEN		
Construction Method Type	SiteBuilt	Attached	GREEN		
Number of Units	2	2	GREEN		
Loan Purpose Type	Purchase	Purchase	GREEN		
Refinance Cash Out Determination Type			GREEN		
Refinance Program Identifier			GREEN		
Property Usage Type	PrimaryResidence	PrimaryResidence	GREEN		
Loan Amount	75000.00	75000.00	GREEN		
LTV	75.00	75.00	GREEN		
TLTV	75.00	75.00	GREEN		
HTLTV	75.00	75.00	GREEN		
DTI	18	18	GREEN		

LP DATA COMPARE MESSAGES:

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Evaluation Results: Loan Evaluation Summary- Red



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Loan Evaluation Summary

LQA Transaction ID: 4185 Batch Submission ID: 1703 Date/Time of Submission: 2013-03-25 03:11:49 PM

GENERAL LOAN INFORMATION		PROPERTY INFORMATION & LOAN TERMS	
Seller Number: 111111	User Submission ID: 123abc	Borrower Name: Testcase, Roger	Product: 5/1 ARM
LP Key: 25899585	Seller Loan Identifier: 123456789	Property Address: 8200 JONES BRANCH DR City, State, Zip Code: Mclean, MD, 22180	Amortization Type: AdjustableRate Amortization Months: 360 Interest Rate: 3.0
		Property Usage Type: vacation Purpose of Loan: Refinance Purchase Price: \$ 94,000	Loan Amount: \$ 75,000 Property Value: \$ 94,000

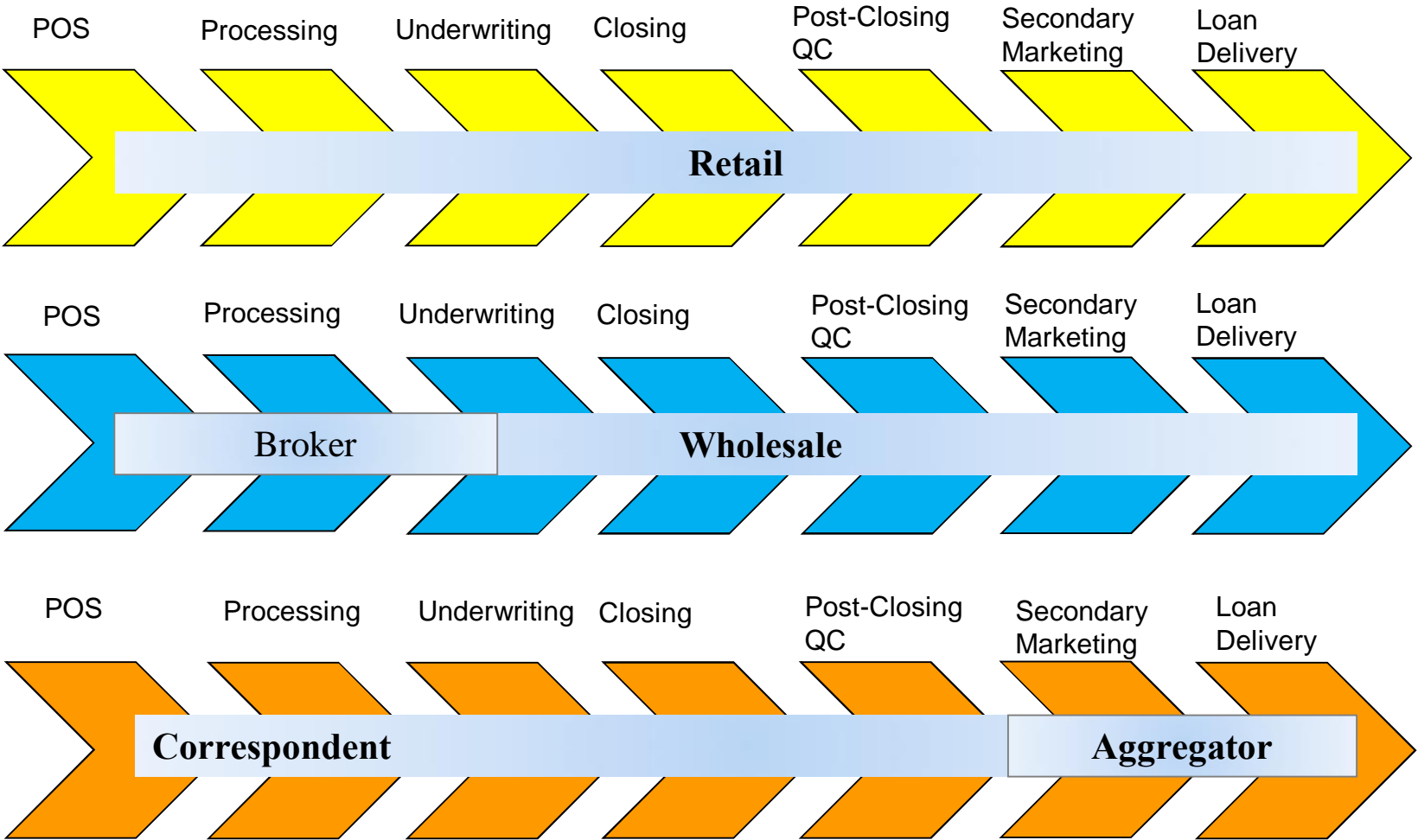
EVALUATION RESULTS		CALCULATED VALUES	
SERVICE	RESULT	DTI : 43 %	
LP Data Compare	RED	LTV : 79.78 %	
Risk Assessment	N/A	TLTV : 79.78 %	
		HTLTV : 79.78 %	

LP Data Compare Results

LP Transaction Number : 2115917906 LP Date/Time of Submission : 02/11/2013 16:03:04 LP Loan Status : COMPLETE LP Risk Class : ACCEPT

Data Field Value	LQA Value	LP Value	Conclusion	Message Code	Message
Borrower SSN			RED	DC3006	The borrower(s) SSNs are not the same borrower(s) SSNs in LP which indicates a change in borrowers from the last LP transaction. If the borrower(s) SSNs in LQA are accurate, the loan should be resubmitted in LP.
SSN	150343712	151213762			
SSN	151213762	150343711			
Property Address Line	8200 JONES BRANCH DR	8200 JONES BRANCH DR	GREEN		
Property City	Mclean	MCLEAN	GREEN		
Property State	MD	VA	RED	DC2002	The State Code in LQA does not match the Property State in LP. If the State Code in LQA is accurate, the loan should be resubmitted to LP.
Property Postal Code	22180	22102	RED	DC2201	The Postal Code submitted in LQA is not a valid value, a data compare cannot be completed for this field.
Product	5/1 ARM	1/1 ARM	RED	DC2500	The Product in LQA does not match the Product in LP, please review for accuracy. If the Product in LQA is accurate, the loan should be resubmitted to LP.
Attachment Type	Attached	Attached	GREEN		
PUD Indicator	true	Y	GREEN		
Project Legal Structure Type			GREEN		

Origination Process(es)



Recap: Functionality/Evaluation Results

- ✓ Accepts a Uniform Loan Delivery Data (ULDD) file format
- ✓ Leverages the same single-loan or multi-loan batch file upload approach for submissions as used in the selling system
- ✓ Allows the user to view both batch-level and loan-level results
- ✓ Provides the ability to sort batch results to easily identify critical issues based on red, yellow and green indicators, as applicable
- ✓ Allows users to easily export results to the desktop


Next Steps



Resources

Loan Quality Advisor website

Home | About Us | Careers | Media Room | Investor Relations | Contact Us



Doing Business with Freddie Mac
About Freddie Mac
About Homeownership

Single-Family

- Making Home Affordable Program
- Underwrite and Process Loans
- Sell and Deliver Loans
- Mortgage Products
- Service Loans
- Become a Freddie Mac Single-Family Customer
- Forms and the Guide
- Single-Family News Center
- Subscription Center
- The Learning Center

Multifamily

Debt Securities

Mortgage Securities

Vendors and Suppliers

Loan Quality Advisor

An automated way to identify potential pre- and post-closing loan eligibility issues

As part of our Greater Purchase Certainty initiative, Loan Quality Advisor® (LQA) is our newest Web-based risk and eligibility assessment tool that gives purchase eligibility issues before you deliver loans.

Incorporating LQA into your business processes will purchase requirements – key components to achieve warranty framework.

LQA Supports Your Business

Using LQA in your loan manufacturing process provides loan data feedback that lets you:

- Identify and resolve potential loan manufacturing manufacturing process.
- Validate that manufactured loans are consistent
- Make changes to comply with Freddie Mac purchase requirements
- Determine whether correspondent lenders have purchase requirements.
- Gain an early view of loan delivery issues.
- Reduce the time it takes to fund at loan delivery.

LQA Services Provide Fast and

- **Loan Prospector Data Compare** (Now available)
 - Provides a comparison view of current loan of the last Loan Prospector submission.
 - Helps maintain the loan's LP Accept risk class provided by Loan Prospector can remain valid.
- **Risk Assessment** (Now available)
 - Provides a summary of Freddie Mac's view of for loans not originated using Loan Prospector
 - Indicates the likelihood of an LP Accept or LP
- **Important:** To obtain Freddie Mac's view of credit LQA will obtain new infile credit data. As a result relationship with the three national credit bureaus request for credit data through LQA should apply review inquiry, also known as a "soft pull."
- **Purchase Eligibility** (second-half of 2013)
 - Runs data quality and purchase eligibility rule
 - Identifies potential pre- and post-closing deliv compliance, and credit compliance.

Get Ready for LQA

To help you get ready to begin using LQA, make sure you are able to answer "YES" to the following LQA readiness checklist questions:

- Do you have an identified LQA project lead/point of contact?
- Can you create a Uniform Loan Delivery Dataset (ULDD) file?
 - If yes, at what point during the loan manufacturing process can the file be created?
- If you use a loan origination system (LOS) or selling system vendor, does the vendor plan to support the creation of the ULDD file for use in LQA?
- Have you confirmed your LOS vendor can create a ULDD file earlier in the loan manufacturing process without edits?
- Have you determined how you will use LQA in your loan manufacturing process?
- Have you determined what your business processes are for using LQA and the impacts?
- Have you identified who will use LQA in your organization?
- Have you addressed any information security concerns for users accessing LQA and the loan data at that point in your process?
- Have you identified what the process is for reviewing the LQA results and making changes/corrections to the loan in Loan Prospector?

LQA Registration

Contact your Freddie Mac representative or 800 FREDDIE for details on the sign-up process. Once signed up, you will be able to easily integrate LQA into your business processes.

Check back periodically for updates.

Hours of Operation

Time Zone	Days	Hours
Eastern	Mon-Fri	5:30 a.m. to 2 a.m.
	Sat	5:30 a.m. to 11 p.m.
	Sun	11 a.m. to 2 a.m.
Central	Mon-Fri	4:30 a.m. to 1 a.m.
	Sat	4:30 a.m. to 10 p.m.
	Sun	10 a.m. to 1 a.m.
Mountain	Mon-Fri	3:30 a.m. to 12 midnight
	Sat	3:30 a.m. to 9 p.m.
	Sun	9 a.m. to 12 midnight
Pacific	Mon-Fri	2:30 a.m. to 11 p.m.
	Sat	2:30 a.m. to 8 p.m.
	Sun	8 a.m. to 11 p.m.

Holidays – Loan Quality Advisor is available every day during the hours listed above, with the exception of the following days:

- New Year's Day
- Easter Sunday
- Thanksgiving Day
- Christmas Day

Resources

- [LQA Factsheet \(PDF\)](#)
- [LQA Getting Started FAQ's](#)
- [June 24 Seller/Service Guide Bulletin \(PDF\)](#)
- [Loan Quality Advisor®: An Introduction and Overview webinar](#)
- For all your training needs, please visit the LQA Learning Center page.

[Print This Page](#)



Bulletin

NUMBER: 2013-16

TO: Freddie Mac Sellers

August 20, 2013

SUBJECT: UPDATES IN RESPONSE TO THE CFPB FINAL RULE ON ABILITY TO REPAY

This *Single-Family Seller/Service Guide* ("Guide") Bulletin updates our requirements in response to the final rule of the Consumer Financial Protection Bureau (CFPB) implementing the ability to repay provisions ("ATR") under the Truth-in-Lending Act, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("CFPB final rule"). The updated requirements include:

- Retiring Mortgages with original maturities in excess of 30 years as eligible Freddie Mac Mortgages
- Retiring Prepayment Penalty Mortgages as eligible Freddie Mac Mortgages
- Introducing new points and fees thresholds to replace the existing Freddie Mac 5% threshold
- Updating our requirements for Higher-Priced Mortgage Loans (HPMLs) for the following Mortgages:
 - Freddie Mac Relief Refinance MortgagesSM
 - ARMs with Initial Periods of 7 or 10 years

In the context of the CFPB final rule, we are also providing Sellers with additional information about Mortgages evaluated through Loan Prospector[®], our representation and warranty framework, government Mortgages and ULDD Data Points.

EFFECTIVE DATE

The changes announced in this Bulletin are effective for Mortgages with Application Received Dates on or after **January 10, 2014**.

In addition, Mortgages with original maturities in excess of 30 years and Prepayment Penalty Mortgages must have a Freddie Mac Settlement Date on or before July 31, 2014.

BACKGROUND

On January 10, 2013, the CFPB final rule was issued, which generally requires a reasonable, good faith determination of a Borrower's ability to repay before establishing certain protections from liability for qualified mortgages. The CFPB amendments subsequently released by the CFPB on May 29, 2013 and July 1, 2013 for Mortgages with applications received on or after January 10, 2014.

At the direction of the Federal Housing Finance Agency (FHFA), Freddie Mac worked together in an effort to align updated requirements in response to the



Loan Prospector News

We're enhancing Loan Prospector...

- ▶ Updated functionality to increase system efficiency

February 2013

- ▶ Enhancing purchase eligibility feedback messages

July 2013

- ▶ Enhancing underwriting messages

4th Q 2013

• with more enhancements to come

Loan Prospector July Release – Summary



Loan Prospector purchase restriction messages are more specific

References to product or program have been updated with more granular information

Improved feedback messages will provide additional transparency into Freddie Mac[®] requirements

50+ generic messages will be replaced with 250+ loan specific messages

More specific information for the following:

LTV, TLTV,
& HTLTV
for type of
mortgage

Home
Possible,
Super
Conforming,
Construction
Conversion
and
Renovation
Mortgages

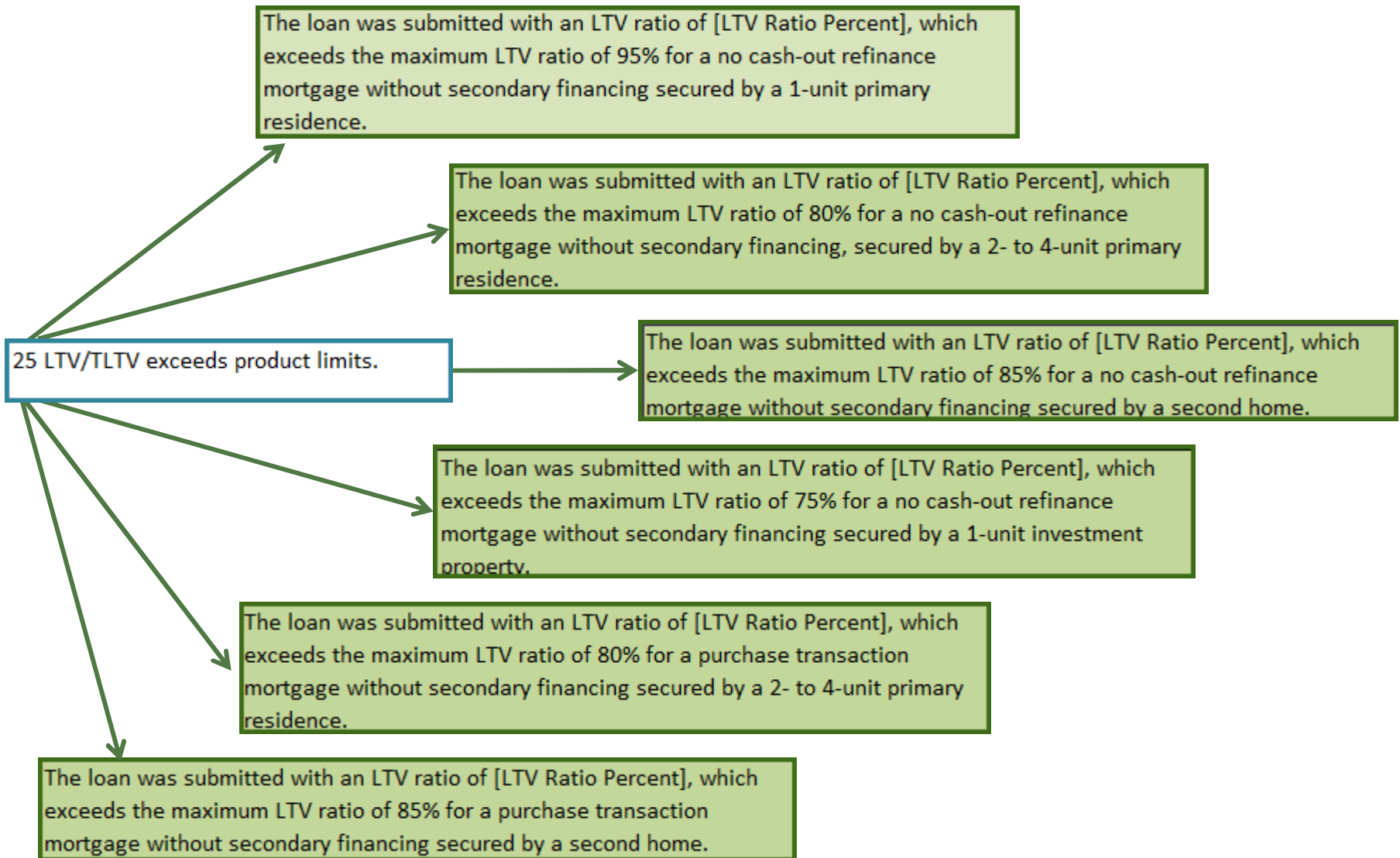
Primary
Residences

Investment
Properties
-
Second
Homes

Manufactured
Homes

ARMs

Examples – LTV messages



More examples – Home Possible, Manufactured Homes, ARMs



<i>Previous Message</i>	<i>New Message</i>
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Limited buydown parameters not met for Home Possible.	A Home Possible Mortgage must have a buydown term less than or equal to 24 months.
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LTV/TLTV/HTLTV ratio exceeds Manufactured Housing limits.	The loan was submitted with an LTV ratio of [LTV Ratio Percent], which exceeds the maximum LTV ratio of 85% for a no cash-out refinance mortgage, with a loan term of 30 years or less, without secondary financing, secured by a manufactured second home.
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None	A Relief Refinance Mortgage - Open Access must not be a newly constructed home mortgage.
None	A second home mortgage secured by a manufactured home must be a purchase or no cash-out refinance mortgage.
None	An investment property mortgage secured by a manufactured home is not eligible for sale to Freddie Mac.
None	The Initial Adjustment Period must not be less than 43 months when the Subsequent Adjustment Period is 60 months.
None	The Initial Adjustment Period must not be less than 10 months when the Subsequent Adjustment Period is 12 months.

Loan Prospector Underwriting Feedback Enhancements

- The changes to the income feedback messages include adding:
 - “ More loan-specific, customized messages relevant to the income type.
 - “ New messages with specific underwriting guidelines for income types and are not currently returned based on the loan data provided.
 - “ Consistent message format that eliminates unnecessary information and includes key information to help underwrite to Freddie Mac requirements.

Loan Prospector Underwriting Feedback Enhancements

Loan Specific Feedback Messages – Currently, feedback messages relevant to each income type are returned on all loans. In the future the feedback messages will only be returned when that specific income type is provided on the loan

Current Feedback Message	Future Feedback Message
<p>If using alimony, child support or separate maintenance payments to qualify, obtain copy of signed court order documenting payor's obligation to Borrower for previous six months and evidence payor is obligated to make payments to Borrower for the next three years. File must contain proof of consistent receipt for total court ordered amount for most recent six months.</p>	<p>Alimony or child support income for ~BORR name~ must be supported by copy of signed court order documenting payor's obligation for previous 6 months and evidence payor is obligated to make payments to Borrower for next 3 years. File must contain proof of consistent receipt of total court ordered amount for most recent 6 months. For child support, file must contain proof of ages of children to prove 3-year continuance.</p>

Consistent Feedback Messages – All income feedback messages will be concise, easy-to-read, follow a consistent format for each message returned, and include key underwriting documentation requirements for each borrower.

Current Feedback Message	Future Feedback Messages
<p>(DOC-CV) Obtain most recent YTD paystub documenting 1 full month, W-2(s) from the most recent tax year, and a verbal VOE, using Form 90 or comparable form, dated no more than 10 Business Days prior to the Note Date or after the Note Date but prior to the Delivery Date; or, a written VOE for 12 full months and a verbal VOE dated no more than 10 Business Days prior to the Note Date or after the Note Date but prior to the Delivery Date for ~EmplBorr~.</p>	<p>Employment/base income for ~Borrower name~ must be supported by a YTD paystub documenting at least 30 days of income and W-2(s) for the most recent tax year or a written VOE covering the most recent year. A verbal VOE for ~BORR name~ is required from each employer for which income is used to qualify. If a verbal VOE cannot be obtained, obtain a written VOE or third-party VOE. The VOE must be dated no more than 10 Business Days prior to the Note Date or after the Note Date but prior to the Delivery Date</p>

Loan Prospector Full Feedback Certificate with *New Feedback Messages*



[View Printable Version](#)

***** This loan is subject to one or more fees. Please refer to the Delivery Fees Information section of the Full Feedback Certificate for details. *****

LoanProspector Full Feedback Certificate

FRED NEWYEAR	149-41-1111	
LP AUS Key:	02392173	
AUS Transaction Number:	431964	
Loan Prospector ID:	L153112	
Transaction ID:	T150003752	

Risk Class Accept	Documentation Level Streamlined Accept	Mortgage Type Conventional
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Purchase Eligibility:	000 Freddie Mac Ineligible.
Purchase Restriction:	<p>B9 The loan was submitted with an LTV ratio of (82.00), which exceeds the maximum LTV ratio of 75% for a no cash-out refinance mortgage with secondary financing secured by a 2- to 4-unit primary residence.</p> <p>Q6 The loan was submitted with a Total LTV ratio of (88.00), which exceeds the maximum Total LTV ratio of 80% for a no cash-out refinance mortgage, secured by a 2- to 4-unit primary residence.</p> <p>Y2 The loan was submitted with a Home Equity Combined LTV Ratio Percent of (88.00) which exceeds the maximum Home Equity Combined LTV Ratio Percent of 80% for a no cash-out refinance mortgage secured by a 2- to 4-unit primary residence.</p>

RESULTS

AUS Status:	Complete	Appraisal Type/MAF:	Form 72
Loan Processing State:	Application Processing	MAF Decision:	

FreddieMac.com/singlefamily/news/2013/0430_greater_purchase.html

Single-Family

- Making Home Affordable Program
- Underwrite and Process Loans
- Sell and Deliver Loans
- Mortgage Products
- Service Loans
- Become a Freddie Mac Single-Family Customer
- Forms and the Guide
- Single-Family News Center
- Subscription Center
- The Learning Center

Multifamily

Debt Securities

Mortgage Securities

Vendors and Suppliers

Positioning Your Business for Success with Greater Purchase Certainty

April 30, 2013

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In today's complex, rapidly changing, and often uncertain housing market, Freddie Mac is working hard to make it easier for you to do business. Specifically, we're focused on providing you with the tools, technology, and transparency to ensure the loans you sell to Freddie Mac meet our purchase requirements. We're also committed to providing comprehensive support resources to help you manage your business, and strengthen our working partnership.

Our new *Greater Purchase Certainty* initiative is one way we're providing our customers with greater certainty and comprehensive support.

What is Greater Purchase Certainty?

The primary goal of our *Greater Purchase Certainty* initiative is to provide you with more confidence that the loans you sell to us meet our purchase requirements. We are doing this through:

- Increased transparency into our view of risk.
- More clarity around our purchase eligibility requirements.
- Shared understanding of data.
- Access to the tools and technology you need and can easily use.

How Can You Get Greater Purchase Certainty?

To support a more efficient loan manufacturing process and your success under the new representation and warranty framework, we're enhancing our current technology as well as added a new tool to our suite of risk and eligibility assessment tools.

- **Loan Quality Advisor™(LQA)** is our newest Web-based risk and eligibility assessment tool. LQA gives you an, automated way to identify credit, data, and purchase eligibility issues before you deliver loans to Freddie Mac. LQA can be easily adopted into your business processes. LQA will be available beginning early this summer.
- We're enhancing **Loan Prospector®** to provide clearer, more detailed feedback on our eligibility requirements and underwriting rules.
- **Uniform Collateral Data Portal®** is being updated with Freddie Mac proprietary appraisal quality edits to provide an early view of potential appraisal issues.

Greater Purchase Certainty is all about supporting our customers. We're working in new ways to provide you with greater certainty and the comprehensive support you've asked for to help:

FreddieMac.com/singlefamily/loanqualityadvisor.html

Single-Family

- Making Home Affordable Program
- Underwrite and Process Loans
- Sell and Deliver Loans
- Mortgage Products
- Service Loans
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Multifamily

Debt Securities

Mortgage Securities

Vendors and Suppliers

Loan Quality Advisor

An automated way to identify potential pre- and post-closing loan eligibility issues

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Incorporating LQA into your business processes will help strengthen loan quality and meet our purchase requirements – key components to achieving success under the new representation and warranty framework.

LQA Supports Your Business

Using LQA in your loan manufacturing process provides greater purchase certainty through detailed loan data feedback that lets you:

- Identify and resolve potential loan manufacturing defects and trends earlier in the loan manufacturing process.
- Validate that manufactured loans are consistent with Freddie Mac policy.
- Make changes to comply with Freddie Mac purchase requirements before the loan closes.
- Determine whether correspondent lenders have manufactured a loan according to Freddie Mac purchase requirements.
- Gain an early view of loan delivery issues.
- Reduce the time it takes to fund at loan delivery.

LQA Services Provide Fast and Transparent Feedback

- **Loan Prospector Data Compare** (available early summer 2013)
 - Provides a comparison view of current loan data submitted to LQA against loan data used in the last Loan Prospector submission.
 - Helps maintain the loan's LP Accept risk class so that the representation and warranty relief provided by Loan Prospector can remain valid at loan purchase.
- **Risk Assessment** (available early summer 2013)
 - Provides a summary of Freddie Mac's view of a loan's credit risk and associated loan quality for loans not originated using Loan Prospector.
 - Indicates the likelihood of an LP Accept or LP Caution.
- **Purchase Eligibility** (available fourth quarter 2013)
 - Runs data quality and purchase eligibility rules consistent with those run at loan delivery.
 - Identifies potential pre- and post-closing delivery errors related to data quality, charter compliance, and credit compliance.

Get Ready for LQA

Resources – visit the following web pages:

- » www.LoanProspector.com (*access Loan Prospector for the latest information and updates*)
- » www.Freddiemac.com/learn (*access the Learning Center for easy-to-print quick references, self-study materials and live training events*)
- » www.Freddiemac.com/singlefamily (*access a comprehensive list of resources for Sellers/Serviceicers*)
- » www.Freddiemac.com/singlefamily/news (*access the latest Freddie Mac single family announcements related to Loan Prospector*)

Call Customer Service:

Sellers: 800-FREDDIE

Brokers: 888-LPONWEB