AIM for Income Using Employment Data with Digitized Paystubs and W-2s

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More options!

Automate the income calculation.

Expanding AIM for income using employment data to include digitized paystub and W-2 data enhancing the power of automation with AIM Check API and LPA.

Our latest Loan Product Advisor's (LPA^SM) asset and income modeler (AIM) enhancement is yet another tool for your digital toolkit so you can originate with ease and streamline your borrower experience. Integration with AIM Check API is required to leverage this enhancement. Submit the report ID and data sourced directly from the borrower's paystub(s) and W-2 form(s) to the API to obtain an early view of the income calculation before you submit a full application into LPA. When you subsequently include the report ID with your LPA submission, LPA will assess the data submitted via the API for potential representation and warranty relief eligibility for the income calculation.
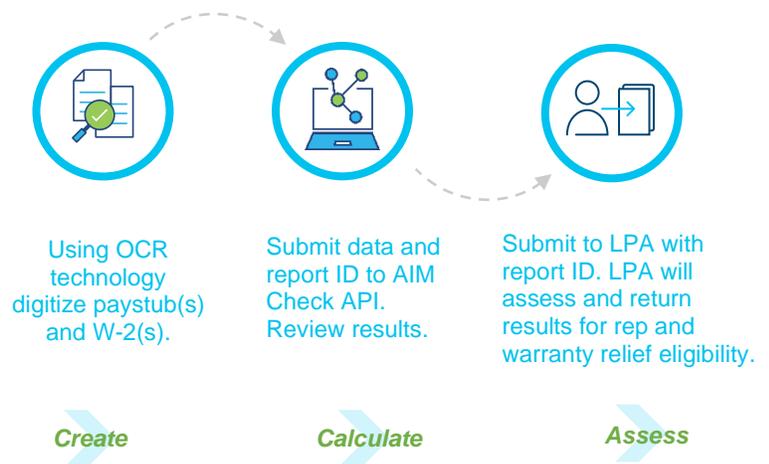
Benefits

- API provides an early view into LPA's income calculation.
- Potential for income representation and warranty relief for the accuracy of the income calculation.
- Saves time and streamlines the underwriting process to help deliver a superior borrower experience.
- Beneficial to quality control processes.

How it Works

Collect borrower paystubs and W-2s and **digitize** the documentation using your own or vendor-supplied **optical character recognition** (OCR) technology. Simply **submit** the data and report ID to **AIM Check API** and obtain the preliminary view of the income and real-time results, including the **income calculation**. Review the API results and decide if you want to continue with the LPA submission. **If yes**, submit the report ID to **LPA** for assessment and representation and warranty relief eligibility. Review the Feedback Certificate for specific **messages.**

Illustration if submitted to LPA

Using OCR technology digitize paystub(s) and W-2(s).

Create

Submit data and report ID to AIM Check API. Review results.

Calculate

Submit to LPA with report ID. LPA will assess and return results for rep and warranty relief eligibility.

Assess

»» *Eligibility*

Topics	Requirements
Systems	▪ LPA (all active LPA specifications) ▪ Integrate with AIM Check API
Eligible Income Types	▪ Base* ▪ Bonus ▪ Commissions ▪ Overtime **Note:** Income types require presence of base income to be eligible for assessment. *Non-fluctuating employment earnings and fluctuating hourly employment earnings. Refer to Guide Section 5901.2(b)(i) for exceptions.
Documentation Requirements	▪ The paystub(s) and W-2 form(s) must be maintained in the mortgage file. ▪ Seller must confirm that the digitized paystub and W-2 data is for the correct borrower and employer. ▪ The paystub must show the time period covered, the current pay period dates and earnings and complete year-to-date earnings. ▪ In addition, no more than 10 business days prior to the Note Date, you must confirm the borrower's employment by obtaining a 10-day pre-closing verification of employment in accordance with the requirements of Section 5302.2. ▪ IRS Form 4506-C must be maintained in the mortgage file.
Age of Data Requirements	▪ Paystub must be dated no more than 120 days before the Note Date. ▪ Paystub must be dated no more than 30 days before the application received date. ▪ Must be the most recent W-2(s).
Representation and Warranty Relief	If eligible, representation and warranty relief is only for the accuracy of the income calculation. **Note:** The Seller is not relieved from the representations and warranties related to the accuracy and integrity of the data when obtained from the borrower's paystub(s) and W-2 form(s).
Loan Product Advisor	▪ You must submit the same report ID previously submitted to AIM Check API. ▪ Submit to LPA using LPA enumerator: "FM" ▪ LPA Accept Risk Class. ▪ Refer to the Feedback Messages, for a list of the applicable messages.

Note: If after the initial submission you obtain an updated paystub you must resubmit to the API with the new paystub data and then submit to LPA.

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Reviewing Results

The following scenario will guide you through the AIM Check Payroll API response and LPA Feedback Certificate results pertaining to digitized paystubs and W-2s.

Step 1: Submit the data and report ID to AIM Check API

Illustration: AIM Payroll API Assessment Response

Displays submitted income obtained from the API request file.

AIM will attempt to match the submitted income source in the API request file to the OCR'd data.

Reminder: Report ID to submit to LPA.

Displays income derived by AIM.

If submitted to LPA the submitted income may be eligible for rep and warranty relief. Refer to Step 2 below.

Step 2: Submit the data and report ID to LPA

Illustration: Loan Product Advisor Feedback Certificate Results

Submitted income is eligible for representation and warranty relief for the **accuracy** of the income calculation.

The following scenario will guide you through the AIM Check Payroll API response and LPA Feedback Certificate results pertaining to digitized paystubs and W-2s.

Step 1: Submit the data and report ID to AIM Check API

Illustration: AIM Payroll API Assessment Response

| | | | AIM Payroll API Assessment | | |

REFERENCE NUMBER
FM-ID-1234

TRANSACTION NUMBER
2626323621280367621

ASSESSMENT DATE
12/13/2023

EXPIRATION DATE
04/11/2024

Income Summary

BORROWER
John Freddie

SUBMITTED INCOME SOURCE	SUBMITTED INCOME SOURCE AKA	INCOME SOURCE FOUND	VENDOR-REPORT ID	INCOME SOURCE ELIGIBLE	INCOME TYPE	SUBMITTED INCOME AMOUNT	DERIVED INCOME AMOUNT	NOTES
Employer Name	Employer Name	Employer Name	FM-ID-1234	No	Base	$3,800.00	-	Expired income documents
					Total	$3,800.00		

> AIM did not attempt to perform the income calculation. Refer to the Notes section.

> Reason income calculation not performed: "Expired documents".

Step 2: If you submit to LPA with the report ID

Illustration: Loan Product Advisor Feedback Certificate Results

Assessment Summary

PURCHASE ELIGIBILITY	RISK CLASS
✓ ELIGIBLE	⚠ CAUTION

Representation & Warranty Relief

COLLATERAL R&W* RELIEF		INCOME R&W* RELIEF	ASSET R&W* RELIEF
⚠ NOT ELIGIBLE	N/A	⚠ NOT ELIGIBLE	⚠ NOT ELIGIBLE

> **Not** eligible for representation and warranty relief. **Reason:** Paystub is more than 30 days prior to the application received date.

Employment and Income Messages

CODE	MESSAGE
FEI0029	The loan is not eligible for income representation and warranty relief.
TBD	Unable to assess JOHN FREDDIEs income from _____ using paystub and W2 data from [I____-ID-1234]. Most recent paystub is more than 30 days prior to the application received date. Resubmit with a more recent paystub.
FEI0102	A 10-day pre-closing verification (10-day PCV) is required for MARY FREDDIE's ____ n____ day PCV must be dated no more than 10 Business Days prior to the Note Date or after the Note D____ Delivery Date. The verification must be retained in the loan file.

> **Option:** Obtain a more recent paystub and resubmit to the API and LPA.

Refer to the Feedback Messages, for a list of the applicable messages.

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Resources

Refer to the following **resources** for additional information:

🔗 Clip	🔗 AIM for Income Using Employment Data job aid	🔗 Guide Bulletin 2024-1

Getting Started

- ➲ Integrate with AIM Check API.

- ➲ Service providers will need to contact their Freddie Mac representative to get access to the **Developer Portal** and get started with the **API integration**.

  💡 New to APIs, no problem, click **here** to learn more.

- ➲ Gateless is the **first service provider integrated** with AIM Check API and LPA to support this offering.

- ➲ *If you're ….*

Currently a Gateless customer	**Not a** Gateless customer
You can begin submitting digitized paystub(s) and W-2(s) to start taking advantage of this capability today.	Integration to AIM Check API is available to Freddie Mac approved Sellers and verified service providers. Reach out to your Freddie Mac representative to learn more.

Learn more about Gateless: sales@gateless.com