Collateral Representation and Warranty Relief with an Appraisal: Loan Coverage Advisor® Information



Loan Coverage Advisor® establishes and tracks the representation and warranty relief dates for all loans sold to Freddie Mac. It provides a single platform to view the selling representation and warranty relief dates and includes a variety of report options and advanced loan-level search capabilities so you can easily track loan events throughout the life of the loan.

This reference provides details about what you need to know to successfully use Loan Coverage Advisor to track loans receiving immediate collateral representation and warranty relief with an appraisal. The following topics are included:

- Reviewing Collateral Representation and Warranty Relief Information in the Search Results
- Viewing the Credit Risk Offsets Information
- Reviewing the Loan History Selling & Servicing R&W Page
- Reviewing Collateral Representation and Warranty Relief Information on LCVA Reports
- Additional Resources



Note: Collateral representation and warranty relief may also be offered with Loan Product Advisor®'s automated collateral evaluation capability which provides the option to waive the appraisal requirements on certain loans. For information on automated collateral evaluation, refer to the <u>Automated Collateral Evaluation</u> job aid.

Reviewing Collateral Representation and Warranty Relief Information in the Search Results

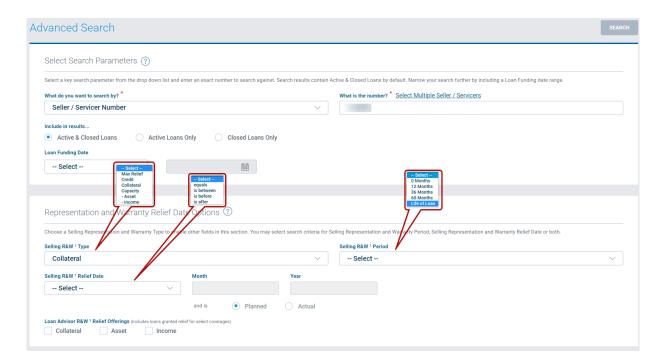
You can retrieve information for loans that received collateral representation and warranty relief by using the R&W Relief Date Options on the Advanced Search page. For example, after selecting Collateral, you can optionally select one or more R&W relief attributes (e.g., Selling R&W Period and/or Selling R&W Relief Date) as parameters for the search query. The Selling R&W Period and Selling R&W Relief Date fields become active once the Selling R&W Type is selected. Selecting the Selling R&W Relief Date "Actual Date" radio button restricts records to those where the Selling R&W Relief Date has occurred.

This information is not a replacement or substitute for the requirements in the Freddie Mac Single-Family Seller/Servicer Guide and your other Purchase Documents.

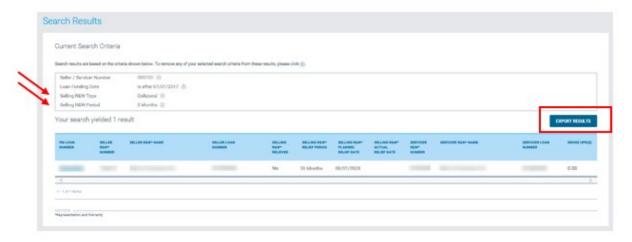
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PUBLIC December 2022





The following Search Results example is an illustration of results retrieved using the R&W Relief Date Options. A summary of the representation and warranty relief for the loan is provided. For details regarding collateral representation and warranty relief, export the results to an Excel spreadsheet.



In the spreadsheet, a loan with collateral representation and warranty relief will indicate *0 Months* in the Collateral R&W Planned Period field. The Collateral R&W Planned Relief Date field and Collateral R&W Actual Relief Date field will reflect the same date.





Viewing Credit Risk Offsets Information

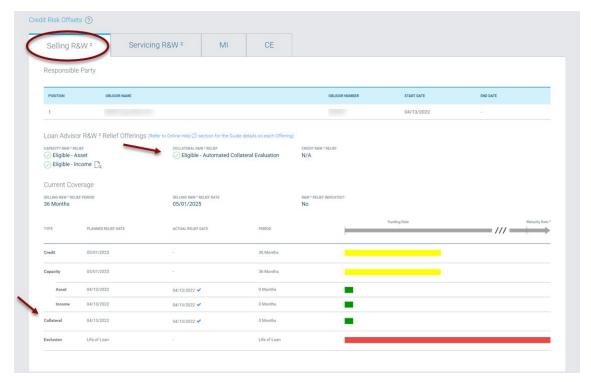
The Selling R&W tab under the Credit Risk Offsets section of the Loan Risk Details page indicates if the loan was eligible for collateral representation and warranty relief. It also visually displays the representation and warranty relief status in a color-coded chart. If the loan was eligible for collateral representation and warranty relief, Loan Coverage Advisor establishes a representation and warranty relief date specific to collateral.

The color-coded bars in the chart represent the planned maximum representation and warranty relief period across the three Cs (credit, capacity, and collateral) and life-of-loan exclusions. When collateral representation and warranty relief is obtained, a blue checkmark appears next to the ACTUAL RELIEF DATE field. The following table describes what each color-coded bar represents:

Representation and Warranty Relief Status Color-Coded Bars	
Green	Confirms and archives Freddie Mac's decision to grant representation and warranty relief.
Yellow	Indicates the loan has not yet achieved representation and warranty relief, but is still eligible for early representation and warranty relief.
Red	Indicates selling representation and warranty applies to the life of loan.





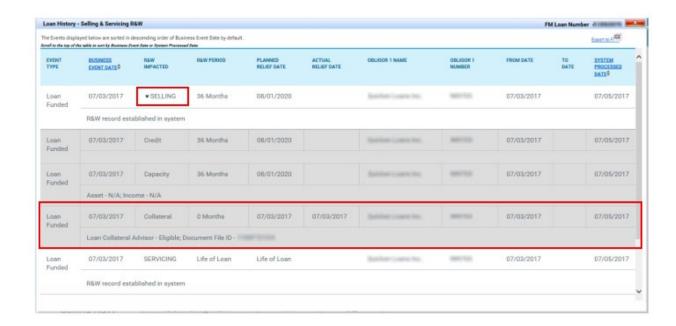


Reviewing the Loan History - Selling & Servicing R&W Page

Loan Coverage Advisor maintains loan history records for all activities that affect the representation and warranty relief date and counterparty obligations for a loan. The Loan History is accessible by clicking the Event Details button on the Selling R&W tab of the Credit Risk Offsets page. To view the loan history for collateral representation and warranty relief, click the Selling drop-down under the R&W Impacted column for the Loan Funded record. The Loan Funded section expands to view credit, capacity, and collateral categories. The Document File ID for the appraisal associated with the loan is listed directly under the collateral information.









Note: You may export loan history records to Microsoft Excel using the **Export to File** link located in the upper right corner of the page.

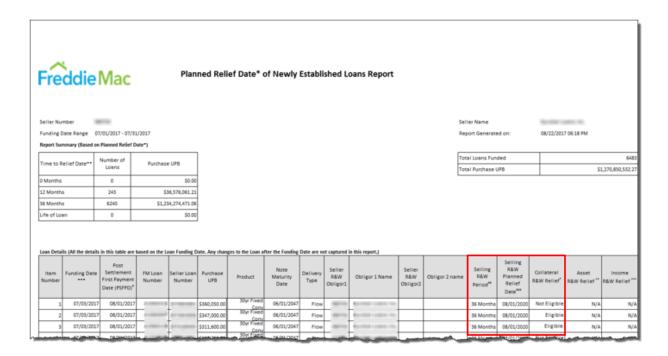
Reviewing Collateral Representation and Warranty Relief Information on Loan Coverage Advisor Reports

The Planned Relief Date of Newly Established Loans Report includes collateral representation and warranty relief information. This report provides information on loans funded during a defined time period and the Obligors' planned relief dates.

The Selling R&W Period and Selling R&W Planned Relief Date columns in the report indicate when selling representation and warranty relief will be relieved for the loan based on its attributes and payment history. The Collateral R&W Relief column indicates whether the loan was eligible for collateral representation and warranty relief at the time of funding.







Additional Resources

If you have questions about other functionality, or are a new Loan Coverage Advisor user and need help learning about it, refer to the following resources:

- Loan Coverage Advisor web page
- Loan Advisor® web page

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