

# Loan Product Advisor<sup>®</sup>

June 2021 Releases

Loan Product Advisor<sup>®</sup> (LPA<sup>SM</sup>) is consistently getting better. We make enhancements to not only align with the *Single-Family Seller/Servicer Guide* (Guide) requirements, but in response to feedback we receive from our valued clients. Because we understand you're busy, this document summarizes monthly LPA enhancements and updates in one place. For more details about a release, please read the associated Guide Bulletin or reach out to your Freddie Mac representative.

## Effective June 7, 2021

### Funds to Close on a Refinance (LPA v5.0.06 only)

Freddie Mac announced in Guide Bulletin [2021-12](#) that we will no longer require documentation of funds to close on refinance transactions if:

- Required borrower funds are \$500 or less, and
- No reserves are required in accordance with the LPA Feedback Certificate, and
- The loan is an LPA loan with a Risk class of "Accept"

This enhancement will help you streamline your processes to close more loans.

## Effective June 16, 2021

### Area Median Income (AMI) for 2021

LPA was updated to reflect the 2021 area median income (AMI) limits. The FHFA provides the AMI estimates to Freddie Mac, which we use to determine if the borrower's annual qualifying income meets Home Possible Mortgage eligibility requirements. For manually underwritten loans, the updated borrower income limits will be effective for loans with application received dates on and after June 16, 2021. For more details, read Guide Bulletin [2021-20](#).

## Effective June 26, 2021

### Biannual Updates to Credit Reporting Companies and Technical Affiliates

To provide you with the most accurate information, LPA was updated with the latest credit reporting companies and technical affiliates. View Freddie Mac's most recent list of [credit reporting companies and technical affiliates](#).

### Housing Expense Type (LPA v5.0.06 only)

LPA will continue to process your loan if you have not completed each of the three Housing Expense Type data fields (Housing Expense Payment Amount, Housing Expense Timing Type – present, Housing Expense Type – P&I and Rent). You will also receive a complete feedback certificate – helping you to move forward and through the underwriting process.

### VA Household Count (LPA v5.0.06 only)

The VA household count has been updated to reflect the accurate count on both the LPA feedback certificate and in applicable feedback messages.



## June Feedback Message Updates

[View](#) the list of the feedback message updates related to the June releases.

