

Loan Product Advisor[®] (LPASM) Feedback Message Updates



LPA Choice: Unprecedented Information to Turn Cautions to Accepts

Effective October 13, 2024

We’re implementing enhanced feedback messages for certain loans that receive a Caution risk class. These new feedback messages provide unprecedented information about our purchase requirements and actionable feedback to help turn Cautions to Accepts.

Introducing LPA Choice

When a loan receives a Caution risk class, loan originators may be unsure about how to proceed and might even consider it a hard stop. However, a Caution can be an opportunity, one that with more information about our purchase requirements, could turn into an Accept. We’re introducing **LPA Choice** to help uncover that opportunity.

Your loan originators always have a choice to use LPA feedback to turn Cautions into Accepts. Our new LPA Choice feedback messages can help make that choice easier.

For certain loans, LPA Choice feedback messages offer unprecedented information about our purchase requirements and actionable feedback that can help loan originators make faster, informed decisions about how to proceed. If your loan originators can provide the information identified in the messages and resubmit to LPA, the loan is more likely turn into an Accept.

LPA Choice Feedback Messages

Message Code	New Message Text	Purpose	Example
FCL0434	LPA Choice: Debt to Income. Based on the submitted income of \$<<SubmittedTotalIncome>> and total debt of \$<<SubmittedTotalDebt>>, the qualifying DTI ratio is <<TotalDebtToIncomeRatio>>%. Documentation of an additional \$<<AdditionalRequiredIncome>> of qualifying income may help meet established underwriting guidelines for purchase.	Informs user that with additional income submitted, the risk class may be able to change to an “Accept.”	LPA Choice: Debt to Income. Based on the submitted income of \$10,000.00 and total debt of \$4,500.00 the qualifying DTI ratio is 45.0%. Documentation of an additional \$460 of qualifying income may help meet established underwriting guidelines for purchase.
FCL0435	LPA Choice: Loan to Value/Total Loan to Value. Based on the application data, an LTV/TLTV of <<LoanToValue>>%/<<TotalLoanToValue>>% impacted the risk class. Reduction of the loan amount by \$<<AdditionalDownPayment>> may help meet established underwriting guidelines for purchase.	Informs user that with a lower loan amount or additional down payment submitted, the risk class may be able to change to an “Accept.”	LPA Choice: Loan to Value/Total Loan to Value. Based on the application data, an LTV/TLTV of 97%/97% impacted the risk class. Reduction of the loan amount by \$6,000 may help meet established underwriting guidelines for purchase.



Message Code	New Message Text	Purpose	Example
FCL0436	LPA Choice: Reserves. Based on the application data, documentation of an additional \$<<AdditionalMonthsReservesAmount>> (<<AdditionalNumberofMonths>> months) of qualifying assets may help meet established underwriting guidelines for purchase.	Informs user that with additional reserves submitted, the risk class may be able to change to an "Accept."	LPA Choice: Reserves. Based on the application data, documentation of an additional \$75,700 (63 months) of qualifying assets may help meet established underwriting guidelines for purchase.

We are also enhancing an existing message to include more details on the loan-to-value percentages.

Message Code	Existing Message Text	New Message Text
FCL0374	Caution Factor: Loan-To-Value/Total Loan-To-Value. Based on the application, the LTV/TLTV impacted the risk class.	Caution Factor: Loan to Value/Total Loan to Value. Based on the application data, an LTV/TLTV of <<LoanToValue>>%/<<TotalLoanToValue>>% impacted the risk class.

If the loan is not eligible for LPA Choice for a given category, you will continue to receive these existing messages (*the first two were recently enhanced*).

Message Code	Message Text
FCL0268	Caution Factor: Debt to Income. Based on the application the DTI ratio impacted the risk class. Total submitted total income of \$<<SubmittedTotalIncome>> and total debt of \$<<SubmittedTotalDebt>> resulted in a qualifying DTI ratio of <<TotalDebtToIncomeRatio>>%. Verify income and debt were submitted correctly.
FCL0370	Caution Factor: Debt to Income. Based on the application the DTI ratio impacted the risk class. Total submitted total income of \$<<SubmittedTotalIncome>> and total debt of \$<<SubmittedTotalDebt>> resulted in a qualifying DTI ratio of <<TotalDebtToIncomeRatio>>%. Verify income and debt were submitted correctly.
FCL0255	Caution Factor: Reserves. Based on the application data, additional reserves may strengthen the mortgage.

