

The following updates were made to Freddie Mac Loan Advisor® in ECO® with the March 22, 2024 release.

Overview of Changes

- **New Dashboard - Expanding Credit Opportunities (Borrower Cash Flow & Rent Payment History)**

What's new:

This dashboard will identify Loan Product Advisor® (LPASM) submissions that could have benefitted from the borrower's positive cash flow or rent payment to potentially impact the LPA risk assessment.

Benefits:

- Opportunity for more Accept risk class assessments in LPA for qualified borrowers with positive cash flows.
- Leverage the same verification report to identify rent payment history and take advantage of LPA asset and income modeler (AIM).

- **Enhancement – ACE Performance Dashboard and Maps**

What's new:

Updated the waterfall logic on this dashboard to move seven message categories from “Not Eligible for ACE” to “Not Assessed for ACE.”

Benefits:

This logic offers more clarity, so you can differentiate between when a loan wasn't eligible for automated collateral evaluation (ACE) and when it wasn't assessed because it didn't meet requirements for assessment.

Expanding Credit Opportunities Dashboard (Borrower Cash Flow & Rent Payment History)

Terms Used:

- **Opportunity – Borrower Cash Flow:** LPA submissions that have received a Caution risk class and have been identified as having the opportunity to use a borrower's positive cash flow to potentially impact the LPA risk assessment (message code FCL0421 with “borrower cash flow” message text).
- **Opportunity – Rent Payment History:** LPA submissions that have received a Caution risk class and have been identified as having the opportunity to consider on-time rent payments in the LPA risk assessment (message code FCL0421 with “borrower cash flow or rent payment history” message text).
- **Successful Assessment – Borrower Cash Flow:** LPA submissions that have had positive borrower cash flow successfully identified from an asset verification report, resulting in a risk class of Accept (message code FCL0426).

- **Successful Assessment – Rent Payment History:** LPA submissions that have had rent payment history successfully identified from an asset verification report, and positively impacted the credit risk assessment (message code FCL0417).

Note 1: LPA Last Submission is based on the latest submission for each month. This will not impact the counts for the Summary View tab, as the latest transaction will be taken for the selected date range, but on the 6 Month Trend tab, the latest transaction will be taken per month. This means that on the 6 Month Trend tab, a loan with transactions in more than one month will be counted once in each month.

Note 2: Successful Assessment (e and f) metrics are not subsets of the opportunity population. These are loans with either message code FCL0426 or FCL0417 on their latest LPA submission, regardless of prior assessments.

Note 1

Data shown is based on LPA Last Submission per month.
 From: 6/1/2023 To: 2/16/2024

Borrower Cash Flow & Rent Payment History

	Date Range Total	Last Completed Calendar Month
Opportunity - Caution Applications Eligible for Borrower Cash Flow / Rent Payment History Benefit	21M	321
Identifying positive borrower cash flow may result in a Risk Class of Accept. Obtain verification of asset(s) report(s) and resident.	1,728	247
Identifying positive borrower cash flow or rent payment history may result in a Risk Class of Accept. Obtain verification of asset(s) report(s) and resident.	440	74

Note 2

	Date Range Total	Last Completed Calendar Month
Successful Assessment - Accept due to Borrower Cash Flow / Rent Payment History	42	1
Borrower Cash Flow	42	1
Rent Payment History	2	0

Dashboard Access:

1. Click on the downward arrow icon on the Home page, next to Loan Advisor and select Expanding Credit Opportunities listed under the Pipeline – Delivered View menu.



2. Borrower Cash Flow & Rent Payment History Summary view (g):

Expanding Credit Opportunities - Borrower Cash Flow / Rent Payment History

Viewing: SUMMARY 6 MONTH TREND

Date shown is based on LPA Last Submission per month

From: 6/1/2023 To: 3/15/2024

Borrower Cash Flow & Rent Payment History

	Date Range Total	Last Completed Calendar Month
Opportunity - Caution Applications Eligible for Borrower Cash Flow / Rent Payment History Benefit	2,148	321
Identifying positive borrower cash flow may result in a Risk Class of Accept. Obtain verification of asset(s) report(s) and resubmit.	1,728	247
Identifying positive borrower cash flow or rent payment history may result in a Risk Class of Accept. Obtain verification of asset(s) report(s) and resubmit.	440	74
Successful Assessment - Accept due to Borrower Cash Flow / Rent Payment History	42	1
Borrower Cash Flow	42	1
Rent Payment History	2	0

Data as of 11/15/2023 8:12:30 PM ET

3. Switching to 6-Month Trend tab (h) shows the below:

Expanding Credit Opportunities - Borrower Cash Flow / Rent Payment History

Viewing: SUMMARY 6 MONTH TREND

6 Month Trend
Arrows and percentages indicate trend change from the last two completed months

	A	S	O	N	D	J	Jan-2024	Change %
Opportunity Volume	533	411	391	420	300	321	321	7%
Borrower Cash Flow Successful Volume	21	8	6	11	3	1	1	6.7%
Rent Payment History Successful Volume	2	0	0	1	0	0	0	0%

Data as of 11/15/2023 8:12:30 PM ET



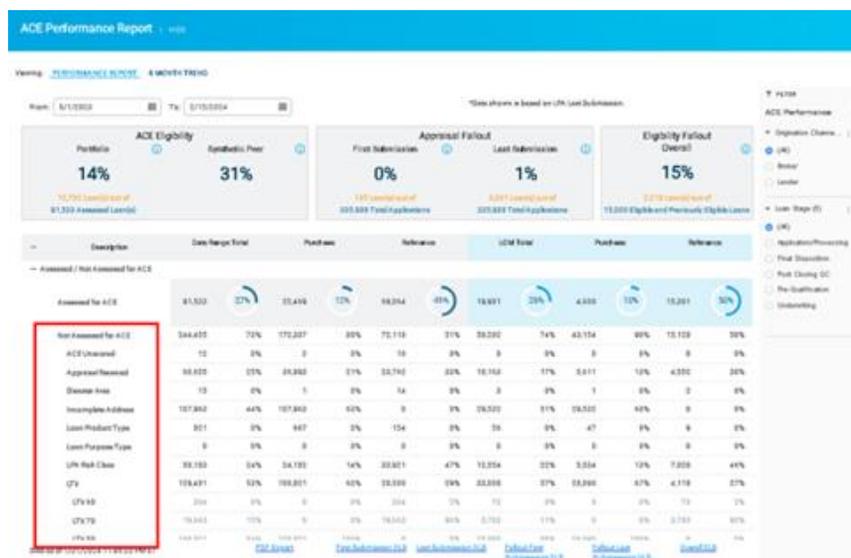
Navigating the Dashboard

1. **Header:** Expanding Credit Opportunities Dashboard (Borrower Cash Flow & Rent Payment History)
2. **Tabs:**
 - Summary View (g) - Provides counts of borrower cash flow and rent payment history opportunities and successful assessments.
 - Six Month Trend (h) - Provides trends for the metrics from the Summary View tab.
3. **Filters:** The available filters are “Date Range”, “Origination Channel”, and “Loan Purpose.”
4. **KPI – Opportunity:** Loans with a Caution risk class and the message code FCL0421 (the opportunity to leverage borrower cash flow or rent payment history). This is highlighted in both the Summary View and 6 Month Trend tabs.
5. **KPI – Successful Assessment:** Loans with message codes FCL0417 or FCL04126 (leveraged the borrower cash flow or rent payment history offerings, resulting in an Accept risk class). This is highlighted in both the Summary View and 6 Month Trend tabs.
6. **Exports:**
 - PDF Export: Download the Summary View tab as a PDF.
 - Spreadsheet: Export the results in Microsoft Excel format.
 - Note: The Excel spreadsheet from the Summary View tab will show only the latest transaction per loan for the selected date range, while the Excel spreadsheet from the 6 Month Trend tab will show the latest transaction per loan for each month.

Update to ACE Performance Dashboard and Maps

We’ve updated the waterfall logic on the existing ACE Performance dashboard to move seven message categories from “Not Eligible for ACE” to “Not Assessed for ACE.” The categories are as follows:

- ‘Disaster Area’
- ‘Loan Product Type’
- ‘Loan Purpose Type’
- ‘LTV’
 - ‘LTV Limit 60’
 - ‘LTV Limit 70’
 - ‘LTV Limit 80’
 - ‘LTV Limit 90’
- ‘Occupancy Type’
- ‘Ownership Type’
- ‘Property Type’



The same logic updates will also be made to the ACE Map, PDFs and Loan Details.

