

## You have options!

With **ACE+ PDR** for cash-out and certain no cash-out refinances.

To determine eligibility for ACE+ PDR you need to use Loan Product Advisor® (LPA<sup>SM</sup>)

### What is ACE+ PDR?

It's a collateral offering that permits the lender to use a property data report (PDR) in lieu of an appraisal. The PDR can be completed by a non-appraiser, appraiser, or appraiser trainee.



### Benefits

- Address appraiser capacity concerns
- Eligible for value representation and warranty relief
- Potential to reduce borrower costs and turn-times, and
- Potential reduction to human bias

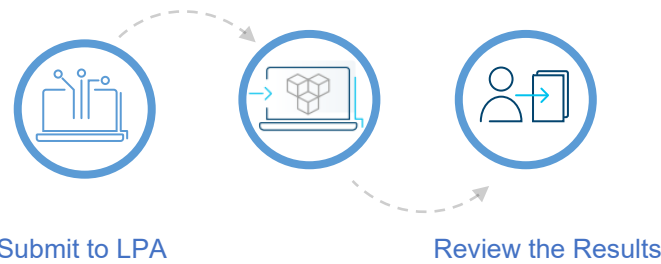


Certain components of the ACE+ PDR offering are being reviewed and tested at this time; therefore, the Guide will not be updated to reflect this change but will be updated at a date to be determined. Until then, Sellers should refer to the *Single-Family Seller/Service Guide (Guide) Bulletin 2022-6, 2022-13* and *2022-24* to ensure compliance with the ACE+ PDR requirements.

### How it Works

#### It's easy!

Simply **submit** the loan to LPA **before** you get an appraisal. The Feedback Certificate will return specific **messages** if the loan **is eligible** for **ACE+ PDR**.



**Note:** Vertical revision bars " | " are used in the margin of this reference to highlight new requirements and significant changes.



The following charts provide a **summary** of requirements that must be met for the loan to be eligible for ACE+ PDR. For complete **details**, refer to [Guide Bulletin 2022-6](#), [2022-13](#) and [2022-24](#).

## Eligibility

Requirements			
<b>Transaction Type</b>	<ul style="list-style-type: none"> <li>No cash-out refinance</li> <li>Cash-out refinance</li> </ul>		
<b>Property Type</b>	1-unit primary residence or second home, including a unit in a PUD, or condominium (excluding manufactured homes, cooperative, or a leasehold estate)		
<b>Occupancy Type</b>	<ul style="list-style-type: none"> <li>Primary residence</li> <li>Second home</li> </ul>		
<b>LPA</b>	Requires an LPA Risk Class of "Accept"		
<b>Loan-to-Value (LTV)/Total LTV (TLTV) Ratios</b>	<b>Mortgage Purpose</b>	<b>Property Type</b>	<b>Maximum LTV/TLTV ratios</b>
	No cash-out refinance	Primary residence or second home	90%
	Cash-out refinance	Primary residence	70%
		Second home	60%
<b>Ineligible Mortgages</b>	<p>For a complete list of ineligible mortgages, refer to Guide Bulletin 2022-6.</p> <p><b>Note:</b> You may not accept the ACE+ PDR offer if any of the following apply:</p> <ul style="list-style-type: none"> <li>You are required by law or regulation to obtain an appraisal</li> <li>Effective March 2, 2023: You are using rental income from the subject 1-unit primary residence accessory dwelling unit (ADU) for qualification purposes</li> <li>The loan requires an upgrade to an appraisal (refer to <a href="#">Upgrade Requirements</a>)</li> </ul>		

## Property Data Report (PDR)

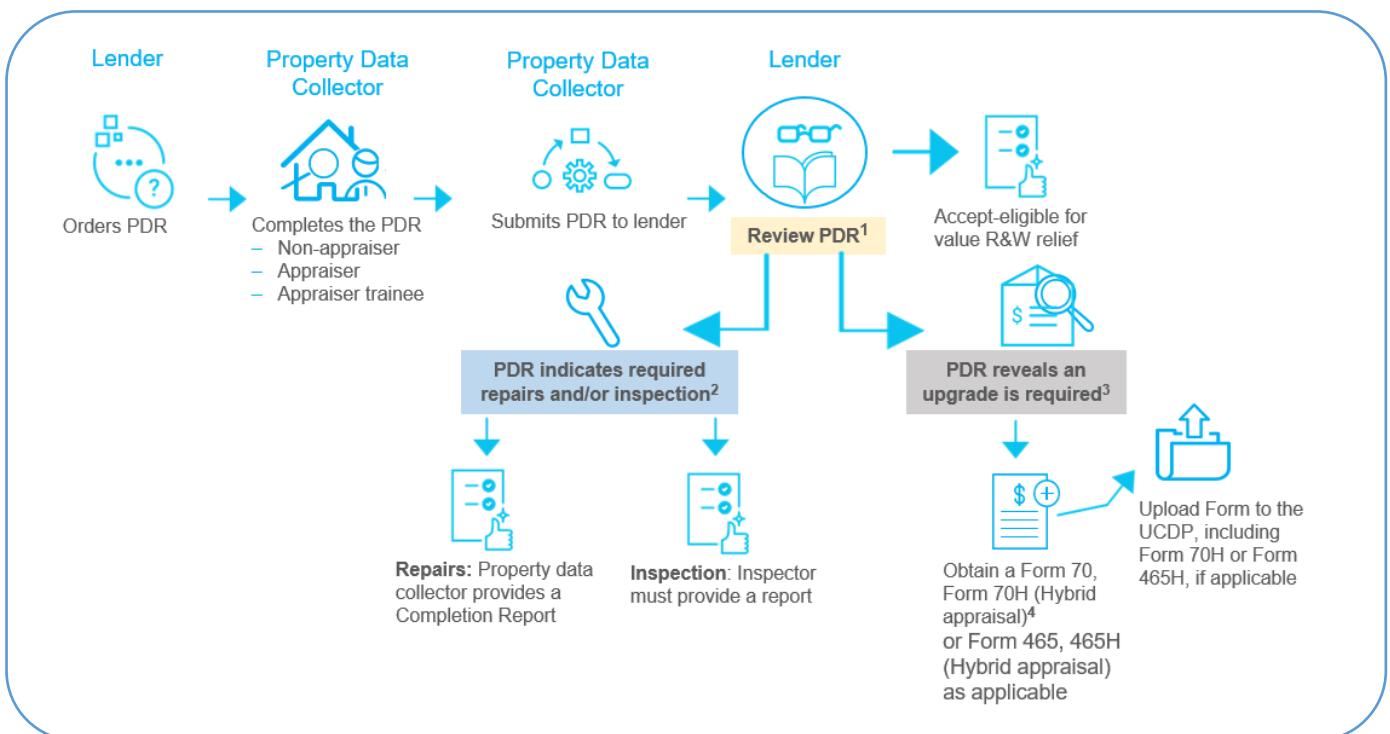
Requirements	
<b>Collecting the Property Data</b>	<p>The PDR must be completed by a trained property data collector, who can be a:</p> <ul style="list-style-type: none"> <li>Non-appraiser (refer to Guide Bulletin 2022-6 for qualification requirements)</li> <li>Appraiser, or</li> <li>Appraiser trainee</li> </ul> <p>The property data collector must perform an on-site data collection and must certify they have no present or prospective interest or bias with respect to the transaction or the property.</p>
<b>PDR Documentation</b>	<ul style="list-style-type: none"> <li><b>Property Data Report</b> using the proprietary <b>Freddie Mac PDR dataset</b> (refer to Bulletin 2022-6, Addendum A)</li> <li><b>PDR Statement of Limiting Condition and Certifications</b> (refer to Bulletin 2022-6, Addendum B)</li> </ul> <p><b>Note:</b> The signed PDR must be retained in the mortgage file</p>



Requirements	
<b>PDR Documentation (cont'd)</b>	<ul style="list-style-type: none"> <li>▪ <b>Exhibits:</b> <ul style="list-style-type: none"> <li>✓ A floor plan with dimensions and calculations reflecting the gross living area of the subject property that includes interior walls and representation of any functional obsolescence</li> <li>✓ Photographs of the subject property containing the following:               <ul style="list-style-type: none"> <li>○ A front view of the subject property</li> <li>○ A rear view of the subject property</li> <li>○ A view of the sides of the subject property not wholly visible in the front or rear photographs</li> <li>○ A street scene (both directions) identifying the location of the subject property and neighboring improvements.</li> <li>○ All interior rooms of the subject property including, but not limited to, foyer, kitchen, living room, bedroom(s), bathroom(s), utility room, laundry room, basement (finished and unfinished areas), attic area accessed via a permanent staircase (finished and unfinished areas), etc.</li> <li>○ Interior and exterior of any significant (permanently affixed) outbuildings on the subject site, including an accessory dwelling unit (not required for small sheds)</li> </ul> </li> </ul> </li> <li>▪ Any physical deterioration, improvements, amenities, and any observed issues or external influences.</li> </ul>

**Process Flow:**

The following process flow provides a high-level view of the PDR review process and next steps. Details provided below:





Process Flow	
PDR Review	<ul style="list-style-type: none"> <li><sup>1</sup>Review the PDR data set to determine if the subject property meets Freddie Mac eligibility requirements.               <p><b>Reminder:</b> When the condition of the subject property meets the definition for condition rating C5 or C6 or the quality of the subject property meets the definition for quality rating Q6, the loan is not eligible for delivery to Freddie Mac unless the deficiencies resulting in a C5, C6, or Q6 rating have been remedied prior to delivery.</p> </li> </ul>
	<ul style="list-style-type: none"> <li><sup>2</sup>If the PDR indicates required repairs and/or inspections, refer to Guide Bulletin 2022-6.</li> </ul>
	<ul style="list-style-type: none"> <li><sup>3</sup>If the PDR reveals that the subject property is <b>not</b> eligible for the offering or has characteristics or conditions (refer to <a href="#">Upgrade Requirements</a> section) that require the Seller to upgrade to an appraisal, obtain either a Form 70 (<i>Uniform Residential Appraisal Report</i>), Form 70H (<i>Uniform Residential Appraisal Report (Hybrid)</i>) appraisal report, Form 465 (<i>Individual Condominium Unit Appraisal Report</i>), or Form 465H (<i>Individual Condominium Unit Appraisal Report (Hybrid)</i>), or the appropriate appraisal report form as applicable to the property type is required.               <p><b>Note:</b> if using a Form 70H, refer to Bulletin 2022-6, or for Form 465H refer to Bulletin 2022-24 for specific requirements and exhibits.</p> </li> </ul>
Upgrade Requirements	<p><sup>4</sup>The PDR <b>must be upgraded</b> when one or more of the following property characteristics has been identified:</p> <ul style="list-style-type: none"> <li>Adverse site conditions or external factors (e.g., extreme slope, erosion, sink hole, wetlands, substantial junk or trash, failing structures, easements, encroachments, environmental conditions, land uses, etc.)</li> <li>The building status is “Proposed” (not eligible for upgrade to a hybrid appraisal)</li> <li>0 bedrooms above grade and/or 0 bathrooms above grade</li> <li>A measured gross living area above grade of fewer than 400 square feet</li> <li>External obsolescence (e.g., adjoins an industrial site, landfill, airport, power lines, major utility, commercial site, railroad tracks or major highway); or</li> <li>Mixed-use (i.e., altered or modified specifically to support or facilitate any non-residential or income producing use)</li> </ul>
Timelines	
Age of the ACE+ PDR Loan Product Advisor offer	<p>The offer provided through LPA is valid for 120 days. If the offer is more than 120 days old as of the Note Date, a resubmission to Loan Product Advisor is required to determine whether the loan remains eligible for ACE+ PDR.</p> <p><b>Note:</b> If there are changes to loan data (e.g., address of the property, loan amount, purchase price, estimate of value, loan type, property type, or occupancy of the property) in a subsequent submission, Loan Product Advisor may provide a different eligibility determination.</p>
Effective Date of the Data Collection	<p>The data collection date of the PDR <b>must be on or before the effective date of the hybrid appraisal</b>, and the effective date of the appraisal is the date the appraiser developed the opinion of market value. If the data collection date of the PDR is more than 12 months prior to the effective date of the hybrid appraisal, a new PDR is required.</p>



Timelines (cont'd)	
<b>Settlement Date</b>	For Settlement Dates more than 120 days after the Note Date, Sellers must warrant the value of the subject property at the time of the Settlement Date is not less than the estimated value used when underwriting the loan in LPA.

## Additional Requirements and Resources

Additional Requirements	
<b>Collateral Representations and Warranties</b>	Freddie Mac accepts the estimated value submitted through LPA. The seller receives collateral representation and warranty relief for value only. Refer to <a href="#">Guide Section 5602.1</a> for more information on collateral representation and warranty for condition and marketability.
<b>Eligible Disaster Areas</b>	Sellers may accept an ACE+ PDR offer if the PDR validates the condition of the subject property meets our eligibility requirements and the value and marketability of the Mortgaged Premises has not been adversely impacted. However, if the PDR effective date is prior to the disaster event, the Seller must meet the following requirements: <ul style="list-style-type: none"> <li>▪ If there is property damage, it must not have impacted the safety, soundness, or structural integrity of the subject property. The Seller must ensure all damage is documented and is covered by insurance as required in Chapter 4703; or</li> <li>▪ If the subject property has been damaged such that the damage impacts the safety, soundness, or structural integrity of the subject property, the loan is not eligible for sale to Freddie Mac until all repairs to the property are documented and completed.</li> </ul>
<b>Delivery Requirements: Mortgages delivered with an ACE+ PDR</b>	Uniform Loan Delivery Dataset (ULDD) Data Points: <ul style="list-style-type: none"> <li>▪ Investor Feature Identifier (IFI) (Sort ID 368) and enter a valid value of "J44"</li> <li>▪ Property Structure Built Year (Sort ID 67) and enter a valid value of "9999"</li> <li>▪ Property Valuation Method Type (Sort ID 89) and enter a valid value of "None"</li> <li>▪ Property Valuation Amount (Sort ID 83) and enter the "Borrower Estimate Value" that was provided in Loan Product Advisor for the refinance transaction</li> <li>▪ Investor Collateral Program Identifier (Sort ID 376) and enter a valid value of "Property Inspection Alternative"</li> </ul>
<b>Delivery Requirements: Mortgages delivered with an Appraisal Upgrade - Hybrid Appraisal</b>	Uniform Loan Delivery Dataset (ULDD) Data Points: <ul style="list-style-type: none"> <li>▪ Investor Feature Identifier (IFI) (Sort ID 368) and enter a valid value of "J44"</li> <li>▪ Property Valuation Form Type (Sort ID 85) and enter a valid value of "Uniform Residential Appraisal Report" or "Individual Condominium Unit Appraisal Report"</li> <li>▪ Property Valuation Method Type (Sort ID 89) and enter a valid value of "Full Appraisal"</li> </ul>
<b>Additional Resources</b>	<ul style="list-style-type: none"> <li>▪ <a href="#">Appraisal and Appraisal Waivers</a> webinar</li> <li>▪ <a href="#">ACE+ PDR</a> tutorial</li> <li>▪ <a href="#">Bulletin 2022-6, 2202-13, and 2022-24</a></li> </ul>

# Exhibit 1: LPA Feedback Certificate Example

The following Feedback Certificate example displays messages you may see in your results in the *Assessment Summary* section and the *Property And Appraisal Messages* section.

The screenshot shows the 'Assessment Summary' section of a Freddie Mac Loan Product Advisor Feedback Certificate. At the top, there is a Freddie Mac logo and the title 'Loan Product Advisor® Feedback Certificate'. Below this is a blue banner with an information icon and the text: 'Attention: Loan meets Home Possible® income limits. To assess eligibility, resubmit with program identifier.' The main content is divided into two sections: 'Details' and 'Affordable Product Information'. The 'Details' section contains a table with columns for Borrower Name, Number of Submissions, LP Key Number, Area Median Income, and Area Median Income (%). The 'Affordable Product Information' section contains a table with columns for Purchase Eligibility, Risk Class, Collateral R&W\* Relief, Income R&W\* Relief, and Asset R&W\* Relief. The 'ACE+ Property Data Report' text is highlighted with a red box.

Details			Affordable Product Information	
BORROWER NAME	NUMBER OF SUBMISSIONS	LP KEY NUMBER	AREA MEDIAN INCOME	AREA MEDIAN INCOME (%)
John Freddie	18	A1234567	\$140,500.00	75.51%

Assessment Summary		Representation & Warranty Relief		
PURCHASE ELIGIBILITY	RISK CLASS	COLLATERAL R&W* RELIEF	INCOME R&W* RELIEF	ASSET R&W* RELIEF
ELIGIBLE	ACCEPT	ELIGIBLE	NOT ELIGIBLE	ELIGIBLE

The screenshot shows the 'Property And Appraisal Messages' section of a Freddie Mac Loan Product Advisor Feedback Certificate. It contains a table with columns for Code and Message. The first message (FPA0153) is highlighted with a red box.

CODE	MESSAGE
FPA0153	Loan is eligible for collateral representation and warranty relief with a property data report (ACE+ PDR) through 5/26/2023. The submitted value estimate is accepted as the value of the subject property; therefore, an appraisal is not required and Seller will be relieved of representations and warranties related to value. The loan must be delivered with Investor Feature Identifier J44 in Loan Selling Advisor.
FPA0100	Loan is eligible for a property data report (ACE+ PDR). An interior and exterior property data report (PDR) is the minimum assessment required for sale to Freddie Mac.
FPA0072	1,089,300.00 is the maximum loan limit allowed for a 1-unit property located in FAIRFAX County, VA.
FPA0057	Address entered matched to: [redacted] Fairfax County VA. Please confirm accuracy.

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

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