# How to Deliver Freddie Mac HFA Advantage<sup>®</sup> Mortgage Loans in Loan Selling Advisor<sup>®</sup>



This resource provides guidance and tips on how to deliver HFA Advantage® mortgages through Loan Selling Advisor®.

Housing Finance Agency (HFA) mortgages are a negotiated term of business with Freddie Mac. HFA Advantage mortgages comply with all requirements of the *Single-Family Seller/Servicer Guide* (Guide) Section 4501 for Home Possible® mortgages.

The information below identifies the required Uniform Loan Delivery Dataset (ULDD) data fields and where they are located in Loan Selling Advisor's graphical user interface (GUI).

## **ULDD Data Points**

Clients must deliver the ULDD Phase 4a data points shown in the table below, for Home Possible mortgages in accordance with Guide <u>Sections 6302.14</u> and <u>6302.34</u>: Special delivery requirements for Home Possible Mortgages.

ULDD Data Point Name	Sort ID#	Valid Value	Notes
Loan Program Identifier	404	HFA Advantage	Value in Loan Product Advisor is <b>HFA Advantage</b> .
Loan Affordable Indicator (Located in the <b>Closing</b> section)	238	True	Enter <b>True</b> for HFA Advantage.
Loan Affordable Indicator (Located in the <b>Current</b> section)	513.1	True	Enter <b>True</b> to identify down payment assistance from an Affordable Second.
Housing Finance Agency Identifier  (Data Point name in the ULDD Phase 4a specification file is Party Role Identifier.)	641.7	The unique identifier assigned to the Housing Finance Agency	Required if the Loan Program Identifier is:  • HFA Advantage • HFA Preferred  In the Loan Selling Advisor GUI, click field level help to view a list of HFA's by state and their respective HFA identifier. Refer to your terms of business to validate your HFA Agency Identifier.
Party Role Type (This is the data point name in the ULDD Phase 4a specification file.)	641.8	Other	Required if the Loan Program Identifier is:  • HFA Advantage  • HFA Preferred  Required when importing ULDD delivery data.
Party Role Type Other Description  (This is the data point name in the ULDD Phase 4a specification file.)	641.9	Housing Finance Agency	Required when importing ULDD delivery data.

Note: Home Possible Advantage HFA was replaced with HFA Advantage.

PUBLIC May 2023



**Note:** If you import data, refer to the <u>ULDD Phase 4a specification</u>. See tab 10-Ph 4a Complete which consolidates updates with all previous phases.

The tables below show the data field location within Loan Selling Advisor's "Loan" screen.

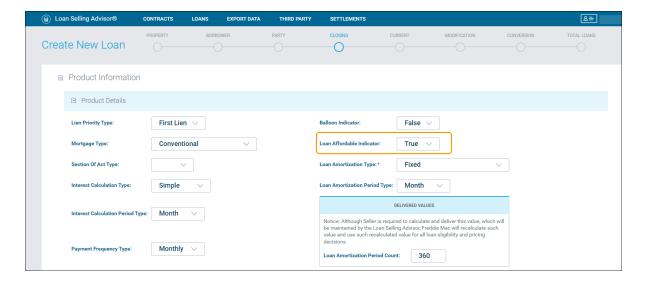
# Housing Finance Agency Details (Located in the Party section.)

Enter the seven-digit Housing Finance Agency Identifier (Sort ID# 641.7) if the Loan Program Identifier (Sort ID# 404) is HFA Advantage or HFA Preferred. Click the data field name to view a listing of agencies by state.



## Product Details (Located in the Closing section.)

Enter product information as applicable for an HFA Advantage mortgage. Select **True** for the **Loan Affordable Indicator**.



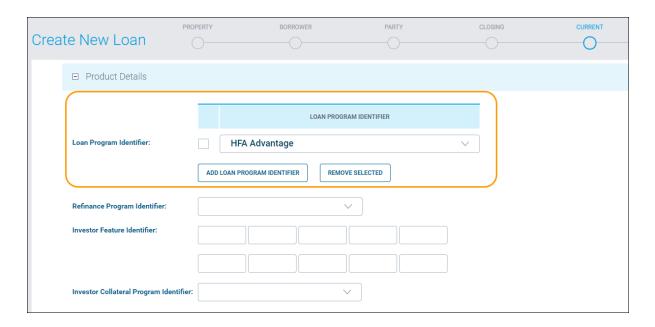




## Product Details (Located in the Current section.)

Complete the information in the product details section to identify the required Loan Program Identifier of HFA Advantage and/or to deliver an Investor Feature Identifier as noted in your terms of business with Freddie Mac.

• Enter Investor Feature Identifier (IFI) codes (Sort ID# 368), if applicable.



# Secondary Financing/Related Loan Information (Located in the Current section.)

This section provides guidance on how to enter the secondary financing information when a borrower received down payment assistance for an Affordable Seconds® mortgage. For more information on Affordable Seconds, refer to the Affordable Seconds® Checklist.

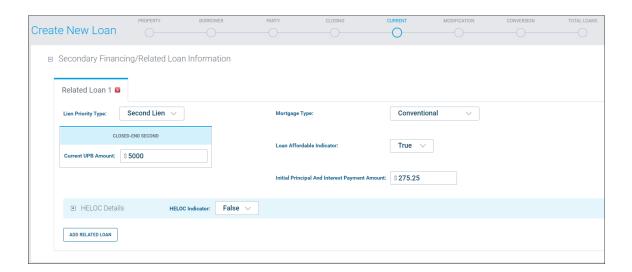
#### **Down Payment Assistance - Located in the Current Section**

- Select Second Lien from the drop-down menu in the Lien Priority Type field, Sort ID 517
- Enter the down payment assistance amount in the Current UPB Amount field, Sort ID 516
- Select True from the drop-down menu for the Loan Affordable Indicator field, Sort ID 513.1
- Enter the Initial Principal And Interest Payment Amount when the first lien is a purchase transaction (Sort ID # 515.1) and is an amortizing Affordable Second. Ensure the data point, Loan Purpose Type (Sort ID# 315) is Purchase.

Note: The HELOC Indicator (Sort ID# 513) must be False.

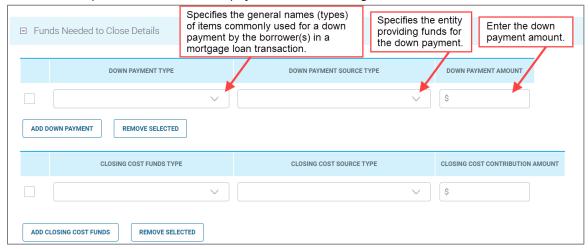






# Funds Needed to Close Details (Located in the Closing section.)

This section includes data fields that identify the down payment and closing cost types, sources and amounts. Refer to <a href="Chart 1">Chart 1</a> below for guidance on how to complete the data fields when an Affordable Second is used to provide funds for down payment and/or closing costs.



**Note:** Be sure to deliver data in all three data fields (type, source and amount) to avoid receiving an error message.

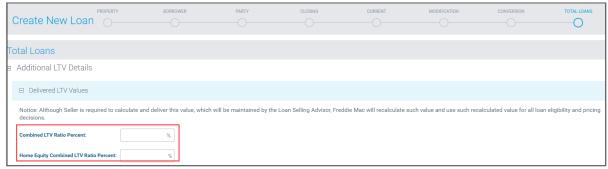




**Chart 1: Affordable Seconds® Data Fields** 

Down Payment Type (Sort IDs 175, 176)/Closing Cost Funds Type (Sort IDs 152, 153)	Down Payment Source Type (Sort IDs 173, 174)/Closing Cost Source Type (Sort IDs 154, 155)	Down Payment Amount (Sort ID 172)/Closing Cost Contribution Amount (Sort ID 151)
Select Secondary Financing Closed End.	Select the applicable Loan Selling Advisor enumeration:	Enter the dollar amount identified as Secondary Financing Closed End.
This selection signifies an Affordable Second <b>which</b> :	<ul><li>Community Nonprofit</li><li>Federal Agency</li></ul>	
Creates a lien on the property	FHLB Affordable Housing     Program	
May be amortizing or non- amortizing	<ul><li>Local Agency</li><li>Originating Lender</li><li>Religious Nonprofit</li><li>State Agency</li></ul>	

**Note:** You are required to deliver data in the **Secondary Financing/Related Information** section for all Affordable Seconds<sup>®</sup>. Any Affordable Second must also be included in the **Combined LTV Ratio Percent** (Sort ID 91).



**Note:** For specific step-by-step guidance on entering an Affordable Second, refer to the <u>ULDD Data Delivery Tips</u> and navigate to "Mortgages with Affordable Seconds".



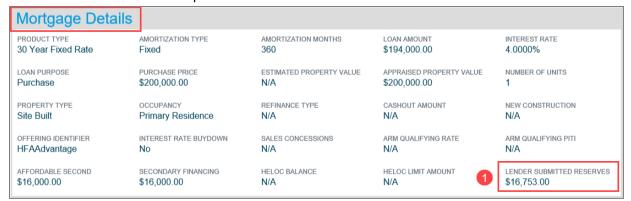


#### **Borrower Reserves**

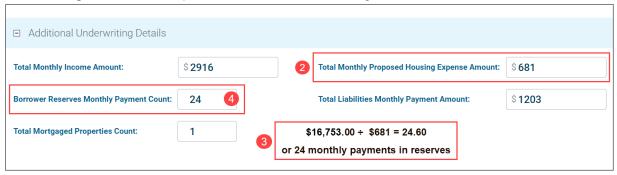
Follow the steps below to calculate the **Borrower Reserves Monthly Payment Count** (Sort ID# 287) amount. To perform the calculation, you will need information from the Loan Product Advisor® Feedback Certificate and data from Loan Selling Advisor.

Step 1	From the Mortgage Details section of the Loan Product Advisor Feedback Certificate, obtain the <b>Lender Submitted Reserves</b> .
Step 2	From the Additional Underwriting Details section of Loan Selling Advisor, obtain the <b>Total Monthly Proposed Housing Expense Amount</b> (Sort ID 292).
Step 3	Take the total <b>Lender Submitted Reserves</b> , divide it by the <b>Total Monthly Proposed Housing Expense Amount</b> and round down to the nearest number of full month(s).
Step 4	Enter this figure in the <b>Borrower Reserves Monthly Payment Count</b> (Sort ID 287) in Loan Selling Advisor.

#### Loan Product Advisor - Excerpt of a Loan Product Advisor Feedback Certificate



#### Loan Selling Advisor - Excerpt of the Additional Underwriting Details Section



**Tip**: HFA Advantage mortgages do not require borrower reserves unless Loan Product Advisor determines borrower reserves are necessary; however, because borrower reserves are a compensating factor, it is advisable to deliver the number of Borrower Reserves Monthly Payment Count in Loan Selling Advisor.



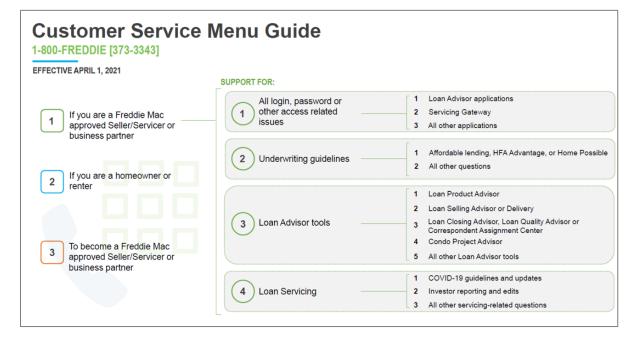


### Resources

HFA Advantage Mortgages
Freddie Mac Learning
Summary of ULDD Phase 4a Updates
ULDD Business Resources

Customer Support Contact Center (800-FREDDIE) and/or 800FREDDIE@freddiemac.com





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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