

Freddie Mac provides certain credit fee caps as described on [Exhibit 19](#). Use this resource together with [Exhibit 19A, Credit Fee Cap Eligibility Criteria](#), prior to delivery, to guide you through using Freddie Mac technology to identify loans eligible for a credit fee cap based on their attributes (e.g., area median income, affordable mortgage product, property type, first-time homebuyer).

Note: Final eligibility is determined by Loan Selling Advisor®.

- [General Eligibility Check](#)
- [How to Use Loan Product Advisor® \(LPASM\) to Identify Affordable Mortgage Products](#)
- [How to Confirm Area Median Income Percent \(AMI%\)](#)
- [Exhibit 19 Fee Calculator](#)
- [How to Identify a First-time Homebuyer](#)
- [Appendix A: Delivery Requirements – Tips and Best Practices](#)

General Eligibility Check

As detailed on Exhibit 19A, mortgages eligible for a credit fee cap must be secured by a **primary residence** and meet **one or more** of the following criteria:

First-Time Homebuyer	Qualifying income is less than or equal to AMI%: <ul style="list-style-type: none">• 100%, or• 120% in a designated High-Cost Area¹	You must determine whether the loan meets the eligibility requirements for the specific product or property type.
Home Possible® Mortgage	Qualifying income is less than or equal to AMI%: <ul style="list-style-type: none">• 80%	
Duty to Serve Mortgages²	Qualifying income is less than or equal to AMI%: <ul style="list-style-type: none">• 100%	
Refer to Exhibit 19A which illustrates the eligibility criteria		

¹**High-Cost Area:** An area in which 115% of the local median home value exceeds the baseline conforming loan limit, as **defined** by Federal Housing Finance Agency (FHFA). Freddie Mac will determine whether a mortgage meets the requirements of FHFA's definition of High-Cost Area when the loan data is submitted to Loan Product Advisor and Loan Selling Advisor.

²**Duty to Serve Mortgages:** Certain CHOICERenovation® mortgages, CHOICEReno eXPress® mortgages, community land trust mortgages, GreenCHOICE Mortgages®, Income-based resale restrictions, CHOICEHome® Mortgages, manufactured homes, rural tracts in high needs rural regions and small financial institutions.

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



How to Confirm AMI%

First things first, what is AMI%?

This is the total income used to qualify the borrower(s) for the loan converted to an annual basis divided by the AMI for the location of the subject property.

You have several options that make it easy to determine if your borrower's qualifying income meets the AMI% requirements based on the subject property location.

- 1 **Submit the transaction to LPA** and review the AMI% messages returned in the *Affordable Lending And Access to Credit* section of the LPA Feedback Certificate.

Example of an excerpt from the LPA Feedback Certificate

Affordable Lending And Access To Credit Messages	
CODE	MESSAGE
FAL0002	Based on the annual qualifying income (\$111,000.00) and the Area Median Income (AMI) (\$140,500.00) where the property is located, the loan meets the housing goal qualifications for a Low-Income Purchase (LIP) since the income is at or below 80% AMI (\$112,400.00).
FAL0011	The area median income (AMI) is \$140,500.00 for the address submitted. The submitted annual qualifying income of \$111,000.00 is 80% of the AMI.
FAL0005	This loan meets the Home Possible income limits.

Effective May 1, 2023 LPA added two new feedback messages in the *Affordable Lending and Access to Credit* section of the LPA Feedback Certificate to notify you when the property is located in a high needs rural region or rural area.

FAL0043	<Standardized Address> is in a designated High Needs Rural Region.
FAL0044	<Standardized Address> is in a designated Rural Area.

LPA will also return a message in the *General Messages* section of the LPA Feedback Certificate indicating if the property is located in a high-cost area if applicable.

General Messages	
CODE	MESSAGE
FGM0137	Loan Product Advisor feedback messages were not updated to align with the temporary COVID-19 requirements currently in place. Please reference Single-Family Seller/Service Guide Bulletins and FAQs related to COVID-19. Sellers must comply with COVID-19 requirements regardless of any conflicting Loan Product Advisor feedback messages.
FGM0048	Assessment Expiration Date for this loan is 05/26/2023.
FGM0020	Loan Product Advisor Assessment Expiration Date for JOHN FREDDIE is 05/26/2023.
FGM0021	Loan Product Advisor Assessment Expiration Date for MARY FREDDIE is 05/26/2023.
FGM0149	DRIVE, MCLEAN, VA, 22102 is in a designated high-cost area.
FGM0143	This Feedback Certificate (i) is not a consumer report; (ii) does not constitute an approval or denial by Loan Product Advisor or Freddie Mac of any consumer loan application; (iii) may only be shared or distributed by the Loan Product Advisor licensee, including the Seller/Service, as permitted in Freddie Mac Single-Family Seller/Service Guide Sections 2401.1 and 2402.3.

Message Code:
FGM0149: Designated high-cost area

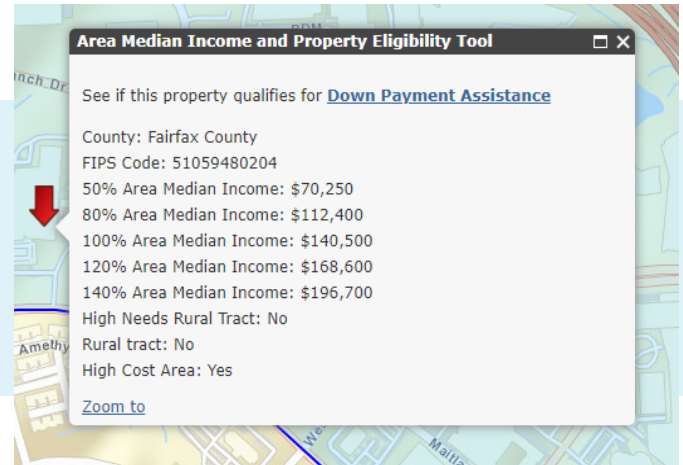


(How to Confirm AMI% cont'd)

- 2 Access our map-based [Area Median Income and Property Eligibility Tool](#). Simply enter the subject property street address and a popup window will appear with the following information.

The results include the following which can be used, in part, as an indication of credit fee cap eligibility.

Results	May apply to...
≤ 80% AMI	<ul style="list-style-type: none"> Home Possible mortgages
≤100% AMI	<ul style="list-style-type: none"> Duty to Serve mortgages First-time homebuyer
≤120% AMI	<ul style="list-style-type: none"> First-time homebuyer (See High Cost Area Indicator)
High Needs Rural Tract Indicator	<ul style="list-style-type: none"> Duty to Serve mortgages When High Needs Rural Tract equals "Yes"
Rural Tract Indicator	<ul style="list-style-type: none"> Duty to Serve mortgages when Rural Tract Indicator equals "Yes"
High Cost Area Indicator	<ul style="list-style-type: none"> First-time homebuyer when High Cost Area Indicator equals "Yes" (See 120% AMI)



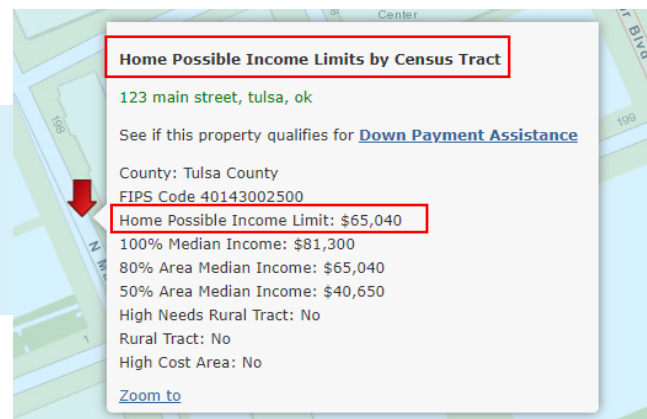
Refer to "[How to Read Your Results](#)" section for more information on rural tracts and high cost areas. Refer to the Freddie Mac *Single-Family Seller/Service Guide* (Guide) [Glossary](#) for defined terms.

Note: Additional option for Home Possible mortgages.

Access our map-based [Home Possible Income and Property Eligibility Tool](#). Simply enter the subject property street address and a popup window will appear with the following information that more easily identifies the Home Possible Income Limit.

The results provide the following which can be used, in part, as an indication of credit fee cap eligibility:

- ✓ Home Possible Income Limit (≤ 80% of AMI%)





(How to Confirm AMI% cont'd)

3 **Leverage our application programming interfaces (APIs)** to access valuable loan information and data early in your process.

- ✓ **Income Limits** provides key data points to help identify parameters for the credit fee caps.
- ✓ **Affordable Check** provides an easy way for you to identify borrowers for an affordable program before submitting a full application to LPA.



Visit our [website](#) or contact your Freddie Mac representative to learn more about our APIs.

4 **Deliver loan data to Loan Selling Advisor.** The AMI%, as calculated in Loan Selling Advisor, at time of delivery, will be used in determining credit fee cap eligibility and assessing the credit fee caps and credits. Refer to **Appendix A, [Delivery Requirements: Tips and Best Practices](#)**.

How to Identify a First-Time Homebuyer

At least **one** borrower on the loan must be a first-time homebuyer.

What defines a first-time homebuyer?

A first-time homebuyer is an individual who meets **all** the following requirements:

- ✓ Purchasing the mortgaged premises.
- ✓ Will reside in the mortgaged premises as a primary residence.
- ✓ Had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the mortgaged premises.

Refer to the [Glossary](#) definition for requirements for a displaced homemaker or a single parent, living trust or land trust.

Note: Refer to **Appendix A, [Delivery Requirements: Tips and Best Practices](#)**, for more information on the Uniform Loan Delivery Dataset (ULDD) requirements specific to identification of a first-time homebuyer on a mortgage delivered via Loan Selling Advisor.



How to Use LPA to Identify Affordable Mortgage Products

LPA may be used to:

- Confirm AMI% (as referenced above).
- Assess eligibility requirements for the specific product or property type.

Use the LPA Feedback Certificate to identify certain mortgage products and/or property types.



Submit the transaction to LPA and select the applicable **Program Identifier**. LPA will return message(s) in the *Affordable Lending And Access to Credit* and/or the *Mortgage Details* sections of the LPA Feedback Certificate. The LPA Feedback Certificate is a helpful resource to identify the specific product and/or property type that LPA assessed and provide AMI messages, see below.

Note:

- If a manufactured home: The manufactured home indicator must be “Yes” and select Single-wide or Multi-wide, as applicable.

LPA future enhancement: Identification of a small financial institutions of rural housing

Excerpt of the **Program ID** field and **Manufactured Home** fields when accessing LPA via the Freddie Mac Loan Advisor® single sign-on portal:

Manufactured Home Yes No

 Width Type * Single-wide Multi-wide

Feedback Certificate Examples

- 1 Home Possible:** The Feedback Certificate displays the selected product in the *Mortgage Details* section and in the *Affordable Lending And Access to Credit* section, along with the AMI% message. **Note:** If using LPA specification version 5.3.00 the selected Program Identifier(s) display in the *Loan Details* section of the LPA Feedback Certificate.

Mortgage Details				
PRODUCT TYPE 30 Year Fixed Rate	AMORTIZATION TYPE Fixed	AMORTIZATION MONTHS 360	LOAN AMOUNT \$349,200.00	INTEREST RATE 6.0000%
LOAN PURPOSE Purchase	PURCHASE PRICE \$360,000.00	ESTIMATED PROPERTY VALUE N/A	APPRAISED PROPERTY VALUE \$360,000.00	NUMBER OF UNITS 1
PROPERTY TYPE Site Built Detached PUD	OCCUPANCY Primary Residence	REFINANCE TYPE N/A	CASHOUT AMOUNT N/A	NEW CONSTRUCTION N/A
OFFERING IDENTIFIER Home Possible	INTEREST RATE BUYDOWN No	SALES CONCESSIONS N/A	ARM QUALIFYING RATE N/A	ARM QUALIFYING PITI N/A
AFFORDABLE SECOND \$10,000.00	SECONDARY FINANCING \$10,000.00	HELOC BALANCE \$0.00	HELOC LIMIT AMOUNT \$0.00	LENDER SUBMITTED RESERVES \$16,753.00



(Feedback Certificate Examples cont'd)

Affordable Lending And Access To Credit Messages	
CODE	MESSAGE
FAL0002	Based on the annual qualifying income (\$111,000.00) and the Area Median Income (AMI) (\$140,500.00) where the property is located, the loan meets the housing goal qualifications for a Low-Income Purchase (LIP) since the income is at or below 80% AMI (\$112,400.00).
FAL0011	The area median income (AMI) is \$140,500.00 for the address submitted. The submitted annual qualifying income of \$111,000.00 is 80% of the AMI.
FAL0005	This loan meets the Home Possible income limits.

- 2 **GreenCHOICE:** When selected you'll see the product type returned in the *Mortgage Details* section and the AMI% message in the *Affordable Lending And Access To Credit Messages* section. **Note:** If using LPA specification version 5.3.00 the selected Program Identifier(s) display in the *Loan Details* section of the LPA Feedback Certificate.

Mortgage Details				
PRODUCT TYPE 30 Year Fixed Rate	AMORTIZATION TYPE Fixed	AMORTIZATION MONTHS 360	LOAN AMOUNT \$182,500.00	INTEREST RATE 5.0000%
LOAN PURPOSE Purchase	PURCHASE PRICE \$200,000.00	ESTIMATED PROPERTY VALUE N/A	APPRAISED PROPERTY VALUE \$210,000.00	NUMBER OF UNITS 1
PROPERTY TYPE Site Built Detached	OCCUPANCY Primary Residence	REFINANCE TYPE N/A	CASHOUT AMOUNT N/A	NEW CONSTRUCTION N/A
OFFERING IDENTIFIER GreenCHOICE	INTEREST RATE BUYDOWN No	SALES CONCESSIONS N/A	ARM QUALIFYING RATE N/A	ARM QUALIFYING PITI N/A
AFFORDABLE SECOND N/A	SECONDARY FINANCING \$0.00	HELOC BALANCE \$0.00	HELOC LIMIT AMOUNT \$0.00	LENDER SUBMITTED RESERVES N/A

Affordable Lending And Access To Credit Messages	
CODE	MESSAGE
FAL0011	The area median income (AMI) is \$140,500.00 for the address submitted. The submitted annual qualifying income of \$77,236.32 is 55% of the AMI.

- 3 **CHOICEHome:** When selected you'll see the product and property type returned in the *Mortgages Details* section and the AMI% in the *Affordable Lending And Access To Credit Messages* section. **Note:** If using LPA specification version 5.3.00 the selected Program Identifier(s) display in the *Loan Details* section of the LPA Feedback Certificate.

Mortgage Details				
PRODUCT TYPE 30 Year Fixed Rate	AMORTIZATION TYPE Fixed	AMORTIZATION MONTHS 360	LOAN AMOUNT \$315,100.00	INTEREST RATE 3.2000%
LOAN PURPOSE Purchase	PURCHASE PRICE \$350,000.00	ESTIMATED PROPERTY VALUE \$360,000.00	APPRAISED PROPERTY VALUE \$360,000.00	NUMBER OF UNITS 1
PROPERTY TYPE Manufactured	OCCUPANCY Primary Residence	REFINANCE TYPE N/A	CASHOUT AMOUNT N/A	NEW CONSTRUCTION N/A
OFFERING IDENTIFIER CHOICEHome	INTEREST RATE BUYDOWN No	SALES CONCESSIONS \$500.00	ARM QUALIFYING RATE N/A	ARM QUALIFYING PITI N/A
AFFORDABLE SECOND \$1,000.00	SECONDARY FINANCING \$1,000.00	HELOC BALANCE N/A	HELOC LIMIT AMOUNT N/A	LENDER SUBMITTED RESERVES \$20,274.00



(Feedback Certificate Examples cont'd)

Affordable Lending And Access To Credit Messages	
CODE	MESSAGE
FAL0038	Loan submitted as CHOICEHome. Only Freddie Mac Seller/Service with a negotiated commitment may deliver a CHOICEHome
FAL0011	The area median income (AMI) is \$140,500.00 for the address submitted. The submitted annual qualifying income of \$77,236.32 is 55% of the AMI.


Exhibit 19 Fee Calculator

The [Exhibit 19 Calculator - Credit Fees](#) is an easy-to-use tool designed to provide you with an indication of applicable Exhibit 19 credit fees or credits for credit fees that may be assessed if the loans were delivered and sold to Freddie Mac.

Guide and System Updates

Look for future enhancements to our technology systems.

Resources



For more information on Home Possible, any of the Duty to Serve mortgages, or property types referenced in this resource, refer to [Freddie Mac Mortgage Product](#) web page.





Exhibit 19 [Calculator – Credit Fees*](#)
(Password: seller)



For more information on our APIs, refer to our [API](#) web page

*This tool was designed to provide the Seller with an indication of credit fees or credits for credit fees that would be assessed on the loans if they were delivered and sold to Freddie Mac. It is to be used as a guideline tool and is not intended nor designed to replace the actual credit fees due on a loan determined by the contract terms between Freddie Mac and the Seller of the loan at the time of delivery. As well, it is not intended to help Sellers determine the eligibility of a product.

Also refer to [Guide Bulletin 2022-22](#), Guide Bulletin [2023-3](#), [Exhibit 19](#) and [Exhibit 19A](#).

This document 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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Loan Selling Advisor will calculate and assess applicable credit fees, including the credit fee cap, based on data provided in the ULDD file for loan delivery.

Enter First-Time Homebuyers Details, if applicable

TIP! First-time Homebuyer

Set *Borrower First Time Homebuyer Indicator* to “Yes” if any one or more borrowers meet the definition.

The screenshot shows the 'Create New Loan' interface in the 'BORROWER' step. A red box highlights the 'FIRST TIME HOMEBUYER DETAILS' section, which includes a dropdown for 'Borrower First Time Homebuyer Indicator', and two other dropdowns for 'Counseling Confirmation Type' and 'Counseling Format Type'.



Refer to [Exhibit 1](#): Instructions for Completing the Borrower First Time Homebuyer Indicator.

Enter Product Details – Located in the Current Section

Complete the information in the product details section to determine the required Loan Program Identifier and/or to deliver an Investor Feature Identifier (IF) as noted in your negotiated terms with Freddie Mac.

TIP! Delivery of IFI code

Two situations require an IFI code for proper calculation:

1

For mortgages originated in rural areas and by small financial institutions, as defined by FHFA.

2

For mortgages located in rural areas and rural tracts in high needs rural regions, as defined by FHFA.

The screenshot shows the 'Create New Loan' interface in the 'CURRENT' step. A red box highlights the 'LOAN PROGRAM IDENTIFIER' section, which includes a dropdown for 'Loan Program Identifier', an 'ADD LOAN PROGRAM IDENTIFIER' button, a 'REMOVE SELECTED' button, and an 'Investor Feature Identifier' field. Other fields like 'Reference Program Identifier', 'Investor Collateral Program Identifier', 'Universal Loan Identifier', 'MERS MIN Identifier', and 'Seller Loan Identifier' are also visible.

Sellers **must** deliver ULDD Data Point IFI (Sort ID 368) and enter a valid value of “**J84**”.

Sellers **must** deliver ULDD Data Point IFI (Sort ID 368) and enter a valid value of “**J85**”.

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



Update: New ULDD4a Specification

All Duty to Serve mortgages must be delivered as separate products. IFIs for these programs will no longer be supported in May 2023.

For more information refer to: [Get Ready for ULDD Phase 4a.](#)

TIP! Custom Mortgage Insurance, if applicable

All applicable credit fees are subject to the credit fee cap with the exception of the Custom Mortgage Insurance Credit Fee in Price which must be added to the cap.

Revision History

May 1, 2023

[Loan Product Advisor May 2023 Release Notes:](#)

Two new feedback messages to notify you when the property is located in a high needs rural region or rural area.

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