

Next steps to make home possible for more qualified renters!

Increase homeownership opportunities for first-time homebuyers by considering on-time rent payments in the Loan Product Advisor[®] (LPASM) credit assessment.

For first time-homebuyers who are purchasing a primary residence you can submit an asset verification report that includes the account from which the borrower pays rent for their current housing expense in order to have the borrower's rent payment history to be considered in LPA's credit assessment. LPA will assess the asset verification report and when it can identify a positive housing payment history for rent, it will include the payment history in its credit assessment provided certain other requirements are met.



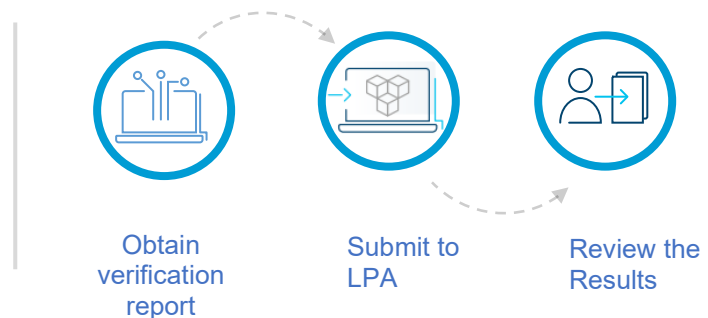
Benefits

- Expanding sustainable homeownership.
- Increase access to credit for underserved but qualified borrowers who have a verified history of managing rent payments responsibly.
- Leverage the same asset verification report for Freddie Mac's AIM offering.
- LPA provides messaging when the transaction may benefit from obtaining a rent payment history.

How it Works

It's easy!

Obtain a **verification report*** that includes the **depository account** from which the borrower makes their rent payments. Simply **submit** the loan to LPA with the report unique **identifier** and **rent amount**. LPA will **assess** the data and determine if the rent payment history **positively** impacts the risk assessment. Review the Feedback Certificate for specific **messages**.



*If an asset verification report was not obtained LPA will also provide messaging when the transaction may benefit by ordering the asset verification report with rent payment history and resubmit to LPA.



The following chart provides the requirements that must be met for LPA to consider a borrower's rent payment history in the credit assessment. Refer to the *Freddie Mac Single-Family Seller/Servicer Guide* (Guide) Section [5201.1\(f\)](#).

Requirements	
Transaction Type	Purchase only
Occupancy Type	Primary residence
Borrower Eligibility	<p>At least one borrower with a rent payment history must meet the following requirements:</p> <ul style="list-style-type: none"> ▪ Have a useable Credit Score, as determined by LPA ▪ Be a first-time homebuyer who intends to occupy the subject property as their primary residence (non-occupant borrower is allowed, however, their rent payment history is not considered) ▪ Minimum 12 month rent history ▪ Minimum monthly rent payment of \$300 ▪ Recurring non-cash monthly rent payments in a third-party asset verification report
Loan Product Advisor	<p>Submit:</p> <ul style="list-style-type: none"> ▪ Indicate "Rent" and provide the current monthly rent amount ▪ Indicate first-time homebuyer ▪ Unique report identifier (e.g., Report ID, Reference Number, Portfolio ID) from the verification report of the depository account from which the borrower makes their rent payments. ▪ Refer to the Feedback Messages, for a list of the applicable rent payment history feedback messages
Verification Reports	<p>The verification report must be obtained by a Freddie Mac designated third-party service provider, refer to the Appendix.</p> <p>Note: A lender may use a verification report (Freddie Mac financial institution verification report) produced by Freddie Mac using the approved financial institution's data transmitted to LPA through an application programming interface(API). You must first obtain Freddie Mac's approval.</p> <p>You must:</p> <ul style="list-style-type: none"> ✓ Confirm that each depository account is owned by the borrower and that the account(s) is the one from which the borrower pays rent. ✓ Confirm that the age of the verification report meets the requirements of Section 5102.4. ✓ Ensure the most current version of the verification report is used by LPA. If you obtain an updated report, you must resubmit the loan to LPA. ✓ Maintain the verification report in the loan file for transactions where the Feedback Certificate includes a feedback message that the rent payment history positively impacted LPA's credit assessment.



How to Get Started

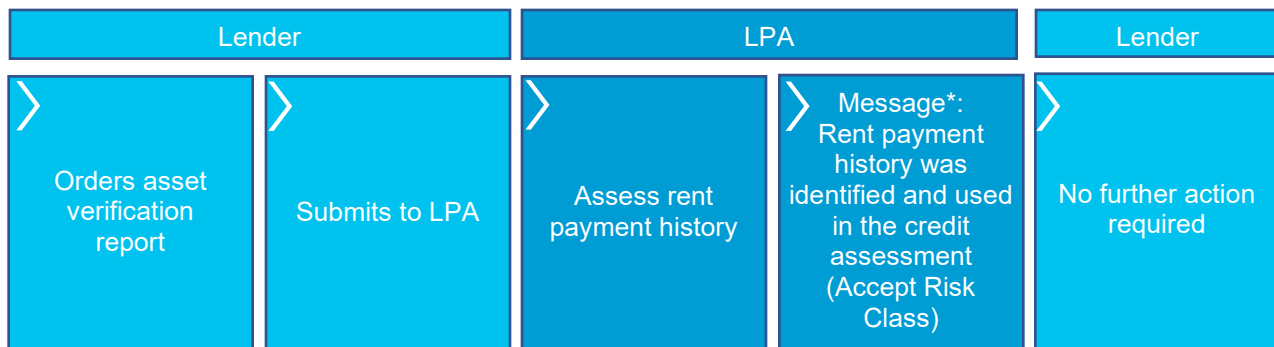
Steps for LPA to include rent payment history in the credit assessment

- 1 Select a third-party service provider, refer to the [Appendix](#).
- 2 Obtain the borrower's authorization to receive their asset transaction information from the service provider and share that information with LPA.
- 3 Order the verification report and reconcile the report for any inconsistencies.
- 4 Indicate the borrower rents and is a first-time homebuyer. Enter the current rent amount.
- 5 Provide LPA the verification report unique identifier (e.g., Report ID, Reference Number, Portfolio ID), submit to LPA and review the Results.

Reviewing the Results

The following scenarios will guide you on how to interpret the results and take advantage of using rent payment history in the LPA credit assessment.

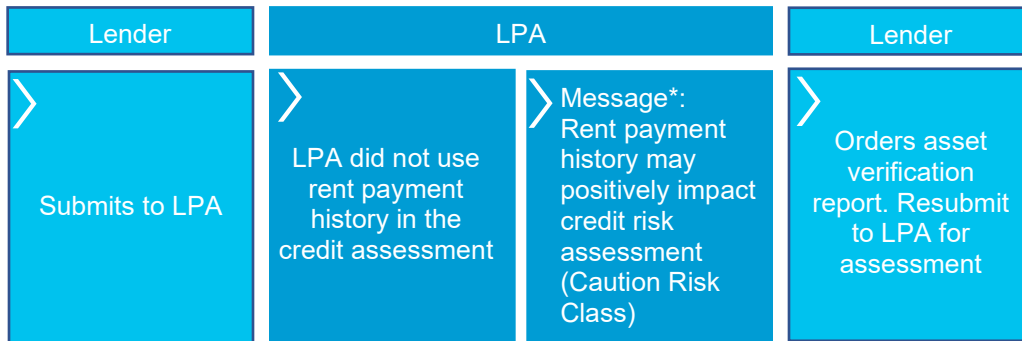
Scenario 1: An asset verification report was obtained by the lender and had an impact on the credit assessment resulting in the Risk Class changing from a Caution to an Accept



Message Code	*Feedback Message
FCL0417	Rent payment history was successfully identified from (Asset Report) and positively impacted the credit risk assessment. Retain asset verification report(s) in the loan file.

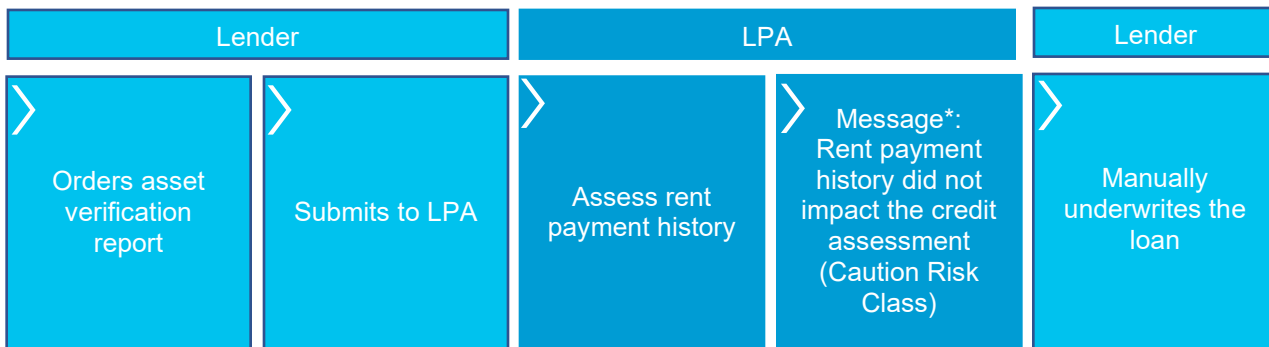


Scenario 2: An asset verification report was not obtained by the lender, however, obtaining a report may have a positive impact on the credit assessment.



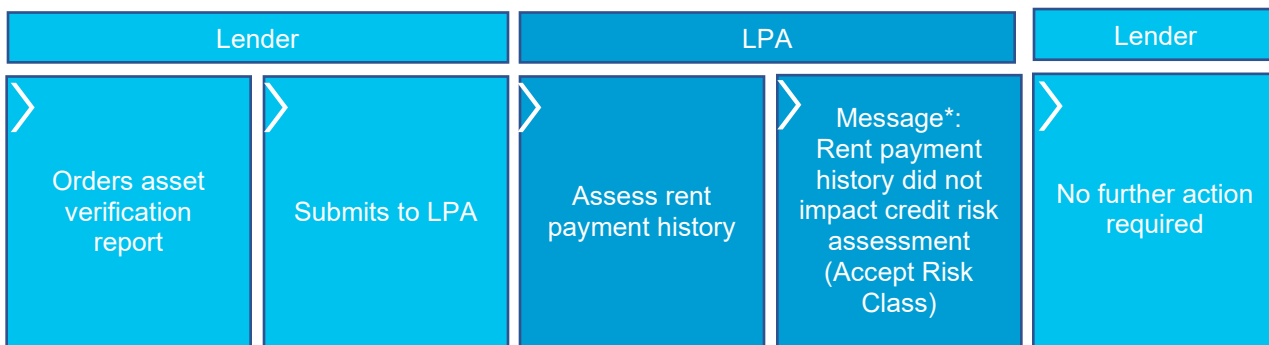
Message Code	*Feedback Message
FCL0421	Rent payment history may positively impact the credit risk assessment. Obtain asset verification report(s) and resubmit.

Scenario 3: An asset verification report was obtained by the lender and rent payment history was successfully identified but did not change the Caution Risk Class.



Message Code	*Feedback Message
FCL0418	Rent payment history was successfully identified from the asset verification report(s) but did not impact the credit risk assessment. No further action is required.

Scenario 4: An asset verification report was obtained by the lender, however, the rent payment history could not be identified but was not needed to receive Accept Risk Class.



Message Code	*Feedback Message
FCL0419	Rent payment history did not impact the credit risk assessment. No further action is required.



FAQ's and Resources

1. What payment types are eligible?

↳ Rent payments identified in the asset verification report over the most recent 12 consecutive months will be considered. This includes Electronic Funds Transfer (EFT), such as Zelle, Venmo, or PayPal and checks but excludes cash payments (e.g. ATM withdrawals).

2. If I am only ordering 60-90 days in the report will LPA receive the 12 months history it needs?

↳ The asset verification report will only display the requested history (i.e., 30-, 60- or 90-days). Behind the scenes, LPA receives additional data and analyzes it for rent payment history.

3. Does the payment have to be on the same day on each month?

↳ No, the payment does not need to be on the same day each month but must reflect 12 consecutive months of payments.

4. Can LPA's assessment of rent payment history negatively impact the credit assessment (e.g. payments are missing or late)?

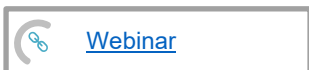
↳ No, the assessment may **only** positively affect the LPA credit assessment.

5. Does LPA consider multiple rent payments in a month (e.g. payments are made twice a month and not monthly)?

↳ No.

Additional Resources

Refer to the following [resources](#) for additional information:



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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Before you can participate in the LPA enhancement to include rent payment history in the credit assessment you must first have an account established with a Freddie Mac designated third-party service party (service provider). If you are not already an existing customer with a service provider and would like to get started refer to the information provided below. For information on the borrower's enrollment process refer to the [AIM for Assets](#) job aid.

Service Providers		
• FormFree®	• Blend	• Plaid
• Finicity®	• PointServ	

FormFree Contact Information

To sign up with FormFree, use FormFree's enrollment URL to sign up, or contact FormFree directly.

- FormFree URL: <https://www.formfree.com/contact-us/>. Complete the contact information.
- Contact Customer Service: 800-225-9498
- Sign Up with FormFree: <https://www.formfree.com/sign-up/>. Once these steps are complete, you are ready to begin using FormFree verification reports.

Note: Sign a partnership agreement with FormFree.

Finicity Contact Information

If you are not already an existing customer and would like to sign up with Finicity, please reach out using one of the following methods:

1. Use Finicity's enrollment URL to sign up, or contact Finicity directly:
 - Enrollment URL: <https://finicity.com/lendersignup>
 - Email: business.development@finicity.com
 - Contact form: <https://www.finicity.com/contact/>
2. Finicity will contact you to determine how you'll integrate. You may:
 - Use a direct integration with a proprietary solution
 - Use your LOS/POS
 - Use FinicityReports an online portal for requesting and managing reports

Note: Visit Finicity's Credit Decisioning page for more information: <https://www.finicity.com/credit-decisioning/>

3. To complete the process you'll need the following:
 - Business Tax ID Number
 - NMLS Number
 - Freddie Mac Lender ID Number
 - Physical and logical security policies and documents

Note: Sign a partnership agreement with Finicity

Once these steps are complete, you are ready to begin using Finicity verification reports.



Blend Contact Information

If you are not already an existing customer and would like to sign up with Blend, please reach out using one of the following methods:

- Email: sales@blend.com
- Phone: (650) 550-4810
- Request a product demo from blends website: <https://blend.com/product/request-demo/>
- Blend website: <https://blend.com/>

Note: You **must** elect to turn on long history with Blend, so that Freddie Mac may receive required data.

PointServ Contact Information

If you are not already an existing customer and would like to sign up with PointServ, please register using the following methods:

- PointServ website: www.pointserv.com
- Email: sales@pointserv.com
- Contact Form: www.pointserv.com

Note: You **must** elect to turn on long history with PointServ, so that Freddie Mac may receive required data.

Plaid Contact Information

If you are not already an existing customer and would like to sign up with Plaid, please register using the following methods:

- Plaid website: <https://plaid.com/contact/>
- Email: contact@plaid.com
- Quick Start Process: <https://plaid.com/docs/quickstart>

Also refer to the *Appendices* section in the [AIM for Assets](#) job aid for more detailed information on the asset verification process.