

# Loan Product Advisor® Feedback Message Updates

January 18, 2023

New Version Message Code	Original or Existing Message Text (if applicable)	New Message Text	Feedback Certificate, Error Page	Purpose
<b>Cash-Out Refinance Seasoning Requirements</b>				
<b>Effective March 7, 2023</b>				
<b>New Messages</b>				
FGM0150	N/A	For a cash-out refinance using the proceeds to pay off a mortgage loan, ensure documentation, such as the credit report or title commitment, shows the note date of the first lien mortgage is at least 12 months before the note date of the cash-out mortgage. See Guide Section 4301.5 for related requirements.	Feedback Certificate	New Policy: If a Mortgage on the subject property is being paid off with proceeds of a cash-out refinance Mortgage, the Mortgage being refinanced must be seasoned for at least 12 months (that is, at least 12 months must have passed between the Note Date of the Mortgage being refinanced and the cash-out refinance Mortgage), as documented in the Mortgage file (e.g., on the credit report or the title commitment).
<b>ADU Purchase Eligibility and Underwriting</b>				
<b>Effective April 3, 2023</b>				
<b>New Messages</b>				
PUR0370	N/A	A mortgage secured by a <<FinancedUnitCount>>-unit property with more than one accessory dwelling unit (ADU) is not eligible.	Feedback Certificate	To determine when a loan does not meet FRE Guide Policy because the property has more than one ADU.

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PUR0371	N/A	A mortgage secured by a 4-unit property with an accessory dwelling unit (ADU) is not eligible.	Feedback Certificate	To determine when a loan does not meet FRE Guide Policy because the 4-unit property has an ADU.
DQE0456	N/A	Rental income from an accessory dwelling unit (ADU) on a 1-unit primary residence cannot be used to qualify for a cash-out refinance mortgage unless the rental income is from a live-in aid and meets the requirements in Guide Section 5306.2.	Feedback Certificate	To determine when a loan does not meet FRE Guide Policy because the intent is a cash-out refi for a property with an ADU.
PUR0373	N/A	Rental income from an accessory dwelling unit (ADU) cannot be used to qualify for a mortgage secured by a 2- or 3-unit property.	Feedback Certificate	To determine when a loan does not meet FRE Guide Policy because ADU rental income is being used to qualify for a 2- or 3-unit property with an ADU.

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DQC0700	N/A	Accessory dwelling unit (ADU) count must be submitted when rental income from an ADU is present.	Feedback Certificate	To determine when the submission has a Data Quality error because rental income from an ADU was provided however the ADU count was not.
PUR0374	N/A	Rental income from an accessory dwelling unit (ADU) in the amount of \$<<ADUPopulatedRentAmount>> exceeds the limit of 30% of the total stable monthly income of \$<<CalculatedStableMonthlyIncomeAmount>>.	Feedback Certificate	To determine when a loan does not meet FRE Guide Policy because the ADU rental income amount exceeds the allowable amount.
FEI0296	N/A	For rental income from an accessory dwelling unit (ADU) in the amount of \$<<ADUPopulatedRentAmount>>, obtain documentation according to Guide Section 5306.3.	Feedback Certificate	To determine when a loan for a primary residence meets FRE Guide Policy for the ADU rental income amount and to provide documentation guidance.

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FEI0297	N/A	For rental income from an accessory dwelling unit (ADU) on a 1-unit investment property in the amount of \$<<ADUPopulatedRentAmount>>, obtain documentation according to Guide Section 5306.4.	Feedback Certificate	To determine when a loan for an investment property meets FRE Guide Policy for the ADU rental income amount and to provide documentation guidance.

Updated: 2/24/2023