Loan Closing Advisor®

September 1, 2024 Release Notes

Loan Closing Advisor September 1 Release Notes

Effective September 1, 2024, we're updating Loan Closing Advisor® with new and modified warning and critical messages to support delivery of second liens. The following messages will be implemented in the Loan Closing Advisor customer test environment (CTE) August 16 and in production on September 1.

New Warning Messages

The following new warning edits and messages for second liens will be implemented in Loan Closing Advisor:

Section in Loan Closing Advisor	Message Code	Message Text
Loan Closing Advisor Eligibility	CRE020	If the loan is a primary residence, be aware that the Annual Percentage Rate (APR) exceeds the Average Prime Offer Rate (APOR) by more than the HOEPA 8.5 percent limit. Please review.
Data Quality	DQC4024	The submitted Annual Percentage Rate (APR) exceeds the Average Prime Offer Rate (APOR) by more than 8% for a primary-residence in the state of Illinois. Please review.

New Critical Messages

The following new critical edits and messages will be provided in the Data Quality section:

Message Code	Message Text
CRIT0040	The APR-APOR spread of " + %Qualified Mortgage Spread Rate% + " and Ability to Repay Method Type of "General" indicate that the mortgage might not meet Freddie Mac requirements according to the amended Senior Preferred Stock Purchase Agreement (PSPA) and revised General Qualified Mortgage (QM) Rule. Verify the data provided is accurate and, if not, correct the UCD XML file and resubmit to Loan Closing Advisor prior to loan delivery in Loan Selling Advisor.
CRIT0063	The APR-APOR spread of " + %Qualified Mortgage Spread Rate% + " and Ability to Repay Method Type of "General" indicate that the mortgage might not meet Freddie Mac requirements according to the amended Senior Preferred Stock Purchase Agreement (PSPA) and revised General Qualified Mortgage (QM) Rule. Verify the data provided is accurate and, if not, correct the UCD XML file and resubmit to Loan Closing Advisor prior to loan delivery in Loan Selling Advisor.
CRIT0068	The APR-APOR spread of " + %Qualified Mortgage Spread Rate% + " and Ability to Repay Method Type of "Exempt" indicate that the mortgage might not be eligible for sale based on Non-Qualified Mortgage requirements. Verify that the data provided is accurate and, if not, correct UCD XML file and resubmit to Loan Closing Advisor prior to loan delivery in Loan Selling Advisor.

Modifying Edit Logic

The following text message and edit will be modified to indicate the enumeration delivered for Lien Priority Type (lien position) is not "FirstLien" or "SecondLien" in Loan Closing Advisor in the Eligibility section:

Message Code	Former Text	Current Text
CRE011	The Lien Priority Type (Subject Loan, At Closing) must be First Lien.	The Lien Priority Type must be "First Lien" **or "Second Lien."**