

Loan Product Advisor[®] (LPASM) Feedback Message Updates



Assumption of FRE Owned Loans

New messages are being added to support the recent policy update in *Single-Family Seller/Servicer Guide Bulletin 2024-8* to allow the use of LPA to underwrite assumptions of Freddie Mac owned loans. All references to effective dates within this document are for the LPA message effective date.

Effective August 4, 2024

Servicers will have the option to use functionality in LPA to assess creditworthiness for assumptions of Freddie Mac mortgages as described in Guide [Section 8406.4\(d\)](#). This will provide the option to leverage LPA for credit underwriting. This is not an expansion or change to Freddie Mac's mortgage assumption requirements. This functionality must only be used for transferees who request an assumption of the mortgage obligation in relation to a Transfer of Ownership as described in [Section 8406.4\(b\)](#) and only to assess creditworthiness for the transferee. All other Guide requirements regarding Transfers of Ownership and mortgage assumptions remain in effect.

The messages below support this expanded functionality.

Message Code	Original or Existing text (if applicable)	New Message Text	Feedback Certificate, Error Page	Purpose
PUR0422	N/A	This loan was submitted with a Loan Program Identifier indicating this is an assumption of a Freddie Mac owned mortgage and is not intended for sale to Freddie Mac.	Feedback Certificate	Informational message that the loan isn't intended for delivery because it has been submitted as an assumption of a Freddie Mac loan.
DQE0457	N/A	An assumption of mortgage must be submitted as no cash-out refinance.	Error Page	Alert to user that only no cash-out refinances are eligible to use the AssumptionFREOwnedLoan program identifier.
DQE0458	N/A	An assumption of mortgage must be submitted as a conventional mortgage.	Error Page	Alert to user that only conventional mortgages are eligible to use the AssumptionFREOwnedLoan program identifier.
DQE0459	N/A	An assumption of mortgage is not eligible with any other Program Identifier (LoanProgramIdentifier).	Error Page	Alert to user that no other program identifiers are eligible to use with the AssumptionFREOwnedLoan program identifier.

