



# WHOLESALE ANNOUNCEMENT 2023-77

December 15, 2023

Freddie Mac Updates

## **Effective Date**

Effective immediately

## **LPA Messaging**

- Revised messages to help quickly identify reasons why LPA returned a Caution risk class for the loan submission. Also added a new message specific to short sale or deed in lieu of foreclosure to help you understand whether there are actions you can take with your borrower to get the loan submission successfully through the risk assessment

## **Pre-Closing Verifications (PCV)**

- The 10-day pre-closing verification (PCV) types have been expanded to include a year-to-date (YTD) paystub from the pay period immediately preceding the Note Date, with the “paid through” date no more than 15 Business Days before the Note Date

## **Condo Project Advisor Project Certified Submission (PCS) Review Process**

- Condo Project Advisor Project Certified Submission (PCS), an enhancement to Condo Project Advisor, which is accessible through Freddie Mac Loan Advisor® was made available on December 8, 2023.
  - On certain PARs, Condo Project Advisor may specify that a Condominium Project may be submitted for a Project Certified review through the PCS process. If Condo Project Advisor finds that the Condominium Project meets the requirements for Project Certified, the project will be assigned a Project Certified status

## **Appraisals-Market Condition Adjustments**

- Section 5605.6(c) of the guide has been updated to provide examples of acceptable data sources that may be used when determining and in support of adjustments for changes in market conditions over time. In addition to market data (comparable listings and pending or closed sales), acceptable data sources include, but are not limited to:
  - Home price indices
  - Multiple listing service
  - Public records
  - Commercial services, models and data



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- The appraiser may use any credible data source to help determine and support market condition adjustments. The appraiser must also describe their market analysis

## Shared Equity Homeownership Programs-Mortgage Secured by Properties Subject to Resale Restrictions

- The following updates have been made to the requirements for Mortgages secured by properties subject to income-based resale restrictions:
  - Permit the subsidy provider to receive excess proceeds when a property is sold above the amount required to satisfy the total indebtedness
  - Reduce the representations and warranties the Seller must make regarding the subsidy provider or program administrator
  - Allow any share of appreciation due to the subsidy provider to be paid from a “no cash-out” refinance transaction

**Freddie Mac Product Announcement has been posted on FCM’s**

**[Wholesale Knowledge Center](#)**

**Should you have any questions, please reach out to your Account Executive or Client Manager**