

How to Enter Data for Subordinate Financing for LPASM System-to-System Users

The information contained in this resource applies to Loan Product Advisor[®] (LPASM) system-to-system (S2S) users and provides guidance on how to enter data for subordinate financing. The field groupings and the order in which you enter information may vary. Contact your system administrator, or system vendor, for more information on data input mapping from your system to LPA.

Subordinate Financing Information

Uniform Residential Loan Application

A **new** related loan being concurrently financed on the subject property must be provided in the URLA in the Loan and Property Information subsection “Other New Mortgage Loans on the Property You are Buying or Refinancing”.

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing				<input type="checkbox"/> Does not apply
Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$



Refinance Transactions: complete the “Property You Own” subsection and indicate if an existing related loan on the subject property will be subordinated to the new mortgage loan.

*A related loan on the subject property must be provided in the “Other New Mortgage Loans on the Property You are Buying or Refinancing”. Note: This also applies when subordinating an existing related loan on a refinance transaction. In addition, complete the “Property You Own” subsection for a refinance transaction.

Loan Product Advisor

For LPA to derive the Total Loan-to-Value (TLTV)/Home equity Total Loan-to-Value (HTLTV) ratios the following information must be provided, as applicable:

- Lien Priority
 - Note Amount
 - Monthly Payment
 - Affordable Loan Indicator
 - Subject Loan Resubordination Indicator (Refinance)
 - HELOC* Indicator
 - HELOC Outstanding Balance
 - HELOC Maximum Balance
- *HELOC = Home Equity Line of Credit

Note: Additional subordinate financing information may be required based on the loan scenario.

Note: Vertical revision bars " | " are used in the margin of this quick reference to highlight new requirements and significant changes.



Scenarios

The following scenarios are provided for users that use a loan origination system that interfaces with LPA (S2S) to assist you in entering subordinate financing using LPA. For Direct Access users that enter data directly into the Loan Product Advisor interface, or import data from your system, using Freddie Mac Loan Advisor® single sign-on portal, refer to, [How to Enter Data to Resubordinate Existing Subordinate Financing](#), [How to Enter Data for a HELOC](#), and, [How to Enter Data for an Affordable Second](#), for step by step instructions.

Scenario 1:

Purchase transaction with concurrent subordinate financing. Subordinate financing is not a HELOC or an Affordable Second®.

LPA Request Unique ID	Subordinate Financing Information	Conditionality
101.00	LoanRoleType = “ RelatedLoan ” Note: Up to 3 subordinate liens may be submitted.	Required
207.00	InitialPrincipalAndInterestPaymentAmount = Enter amount ≥ “0” Note: Enter “0” if there is no P&I payment amount for the subordinate lien.	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND amount ≥ “0”
194.00	LienPriorityType = “ SecondLien ” Note: For additional RelatedLoans, enter ThirdLien and FourthLien, as applicable.	Required
205.00	HELOCIndicator = “ False ”	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan”
206.00	LoanAffordableIndicator = “ False ”	Conditional: <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND HELOCIndicator = “false”
209.00	NoteAmount = Enter amount ≥ “0”	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND HELOCIndicator = “false”



Scenario 2:

Purchase transaction with concurrent subordinate financing. Subordinate financing is a HELOC.

LPA Request Unique ID	Subordinate Financing Information	Conditionality
101.00	LoanRoleType = “RelatedLoan” Note: Up to 3 subordinate liens may be submitted.	Required
203.00	HELOCBalanceAmount = Enter amount ≥ “0” Note: Enter <u>outstanding balance</u> of the HELOC. Enter “0” if there is currently no balance outstanding on the HELOC.	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND HELOCIndicator = “true”
204.00	HELOCMaximumBalanceAmount Enter amount ≥ “0” Note: Enter <u>maximum amount</u> of credit available to the borrower.	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND HELOCIndicator = “true”
205.00	HELOCIndicator = “True”	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan”
207.00	InitialPrincipalAndInterestPaymentAmount = Enter amount ≥ “0” Note: Enter “0” if there is no P&I payment amount for the subordinate lien.	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND amount ≥ “0”
194.00	LienPriorityType = “SecondLien” Note: For additional “RelatedLoans”, enter “ThirdLien” and “FourthLien”, as applicable.	Required



Scenario 3:

Refinance transaction with existing subordinate financing. Subordinate financing will not be paid off with the proceeds of the new mortgage and is not a HELOC.

LPA Request Unique ID	Subordinate Financing Information	Conditionality
97.00	SubjectLoanResubordinationIndicator = “True”	Conditional <ul style="list-style-type: none"> If LoanPurposeType = “Refinance” AND (LiabilityType = “MortgageLoan” OR “HELOC”)
101.00	LoanRoleType = “RelatedLoan” Note: Up to 3 subordinate liens may be submitted.	Required
207.00	InitialPrincipalAndInterestPaymentAmount = Enter amount \geq “0” Note: Enter “0” if there is no P&I payment amount for the subordinate lien.	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND amount \geq “0”
194.00	LienPriorityType = “SecondLien” Note: For additional “RelatedLoans”, enter “ThirdLien” and “FourthLien”, as applicable.	Required
205.00	HELOCIndicator = “False”	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan”
206.00	LoanAffordableIndicator = “False”	Conditional: <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND HELOCIndicator = “false”
209.00	NoteAmount = Enter amount $>$ “0” Note: The current outstanding principal balance of the closed-end second should be entered in this field.	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND HELOCIndicator = “false”



Scenario 4:

Refinance transaction with existing subordinate financing. Subordinate financing will not be paid off with the proceeds of the new mortgage and is a HELOC.

LPA Request Unique ID	Subordinate Financing Information	Conditionality
97.00	SubjectLoanResubordinationIndicator = “True”	Conditional <ul style="list-style-type: none"> If LoanPurposeType = “Refinance” AND (LiabilityType = “MortgageLoan” OR “HELOC”)
101.00	LoanRoleType = “RelatedLoan” Note: Up to 3 subordinate liens may be submitted.	Required
203.00	HELOCBalanceAmount = Enter amount \geq “0” Note: Enter <u>outstanding balance</u> of the HELOC. Enter “0” if there is currently no balance outstanding on the HELOC.	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND HELOCIndicator = “true”
204.00	HELOCMaximumBalanceAmount Enter amount \geq “0” Note: Enter <u>maximum amount</u> of credit available to the borrower.	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND HELOCIndicator = “true”
205.00	HELOCIndicator = “True”	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan”
207.00	InitialPrincipalAndInterestPaymentAmount = Enter amount \geq “0” Note: Enter “0” if there is no P&I payment amount for the subordinate lien.	Conditional <ul style="list-style-type: none"> If LoanRoleType = “RelatedLoan” AND amount \geq “0”
194.00	LienPriorityType = “SecondLien” Note: For additional RelatedLoans, enter ThirdLien and FourthLien, as applicable.	Required

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