

# AIM: 10-day Pre-Closing Verification (PCV) At-a-Glance

## You have options!

Automate the 10-day PCV requirement using AIM to confirm a borrower(s) employment through account (e.g. asset) data or payroll (e.g. employment) data from third-party service providers.

To take advantage of this capability you need to use Loan Product Advisor® (LPA<sup>SM</sup>) asset and income modeler (AIM).

LPA automates the 10-day PCV requirement using the data obtained from a third-party service provider report\* and provides a 10-day PCV close-by-date message that is returned on the LPA Feedback Certificate. If the loan closes before the close-by-date, the 10-day PCV requirement is met. If the Note Date will be after the close-by-date (e.g. the close-by-date expires) we have automated options to update the close-by-date. Refer to the **Next Steps** sections.

**\*Note:** The Seller may use a verification report that is produced by Freddie Mac using a third-party service provider's data, or approved financial institution data, transmitted through an application programming interface (API) (the "Freddie Mac verification report"). The Seller must obtain Freddie Mac's written approval to transmit the data through the API.



### Benefits

- Potential to reduce costs
- Simplify the process providing greater efficiency
- Close loans faster

## Here's how...

AIM offers automated solutions to satisfy the 10-day PCV requirement. This is accomplished by using two types of data sources (account data or payroll data) based on the type of verification report obtained from a third-party service provider to determine a close-by-date.

## 2 Types of data sources

### AIM for employment using direct deposits (account data)

**If**, you obtained an asset report, **then**, LPA uses transaction data to identify payroll deposits and transaction date patterns. LPA determines the payment cadence and, if eligible, returns a close-by-date in the LPA Feedback Certificate results.

If the loan does not close by this date refer to the section [Next Steps](#).

### AIM for employment using payroll data (payroll data)

**If**, you obtained a verification of income or a payroll employment report, **then**, LPA returns a close-by-date in the LPA Feedback Certificate results.

If the loan does not close by this date refer to the section [Next Steps](#).

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## Using AIM for Employment Using Direct Deposits (account data)

Use the following chart to guide you through how the automated 10-day PCV works using an **asset** data source **generated** from a third-party service provider.

<i>If,</i>	<i>then,</i>
You obtain an asset report to verify the borrower's financial accounts to determine sufficient funds to close	<ol style="list-style-type: none"> <li>1 Submit to LPA with the Report ID.</li> <li>2 LPA uses the transaction data to identify payroll deposits and transaction date patterns. At a minimum, three consecutive payroll deposits from the same employer is required.</li> <li>3 LPA determines the payment cadence and, if eligible, returns a close-by-date message in the LPA Feedback Certificate results.</li> </ol> <p>The loan must close by the date displayed to use this 10-day PCV option*.</p>
You obtain an asset report to verify the borrower's income using direct deposit data (AIM for income using direct deposits)	<ol style="list-style-type: none"> <li>1 Submit to LPA with the Report ID.</li> <li>2 LPA uses transaction data (based on income type) to identify payroll deposits and transaction date patterns.</li> <li>3 LPA determines the payment cadence and, if eligible, returns a close-by-date in the LPA Feedback Certificate results.</li> </ol> <p>The loan must close by the date displayed to use this 10-day PCV option*.</p>

\*Refer to the "Next Steps" section below if the loan does not close by the close-by-date.

### Next Steps: Note Date is after the close-by-date

If the loan does **not** close by the close-by-date returned on the LPA Feedback Certificate, the verification report must be **refreshed** and **resubmitted** to LPA. Loan Product Advisor will **reassess** the data to determine a **new** close-by-date, however, LPA will also **reassess** the data for asset and/or income representation warranty relief eligibility (as applicable).

#### Did you know

Select third-party service providers (e.g., Finicity®, AccountChek® by Informative Research) provide an alternative to refreshing the verification report that simplifies your processes. These **asset employment reports** provide a history of the **dates** of the payroll deposit transactions **without** providing the direct deposit **amounts**. Resubmit to LPA and LPA will assess the cadence of payroll deposits to determine if this report satisfies the 10-day PCV requirement and will provide a **new** close-by-date. The benefit of this report is that LPA will **not reassess** the loan for income representation and warranty relief eligibility. Refer to your third-party service provider for more information.

**Note:** You also have the **option** to obtain a **payroll employment report** (e.g., verification of employment) **without** income data. **Resubmit** to LPA with the **Report ID** and LPA will return a **new** close-by-date and will **not reassess** for income representation and warranty relief eligibility.



## Feedback Certificate Message Example

In this example the lender used the AIM for income using direct deposits offering to verify the borrower's income using **asset** data.

Excerpt from the **Employment and Income Messages** section

FEI0226	Mary Freddie's submitted JUPITOR COMPANY income of \$6,000.00 was assessed using Direct Deposits. The [REDACTED] DDPTSSCE02] report dated 6/01/2022 expires 9/29/2022; the report must be retained in the loan file. No further documentation is required for this income.
FEI0234	Mary Freddie's employment at JUPITOR COMPANY was assessed using the [REDACTED] DDPTSSCE02] report. The 10-day pre-closing verification (10-day PCV) requirement is met if the note date is on or before 6/14/2022.

If the Note Date is on or before the close-by-date the 10-day PCV requirement is met.

**Note:** If LPA was unable to determine a close-by-date review the messages returned on the Feedback Certificate for specific details. Refer to the [LPA Feedback Messages](#).

## Using AIM for Employment Using Payroll Data (payroll data)

Use the following chart to guide you through how the automated 10-day PCV works using **payroll** data from a third-party service provider.

<i>If,</i>	<i>then,</i>
You obtain a verification of income and employment report to verify the borrower's employment and income	<ol style="list-style-type: none"> <li>1 Submit to LPA with the Report ID.</li> <li>2 LPA uses the report to determine a close-by-date and returns a close-by-date message in the LPA Feedback Certificate results.</li> </ol> <p>The loan must close by the date displayed to use this 10-day PCV option*.</p>

\*Refer to the "Next Steps" section below if the loan does not close by the close-by-date.

### Next Steps: Note Date is after the close-by-date

If the loan does **not** close by the close-by-date returned on the LPA Feedback Certificate the verification report must be **refreshed** and **resubmitted** to LPA. Loan Product Advisor will **reassess** the data to determine a **new** close-by-date, however, LPA will also **reassess** the data for income representation warranty relief eligibility.

#### Did you know

As an **alternative** you can order a **payroll employment report** (e.g., verification of employment). This report provides **only** employment data and does **not** provide income data. **Resubmit** to LPA and LPA will determine a **new** 10-day PCV close-by-date. The benefit of this report is that LPA will **not reassess** the loan for income representation and warranty relief eligibility.



## Feedback Certificate Message Example

In this example the lender used AIM to verify **income** and obtained a verification of income and employment report from a designated service provider.

Excerpt from the **Employment and Income Messages** section

FEI0224	Patrick Freddie's submitted ABC GROUP INC income of \$8,500.00 was assessed using the [REDACTED] 1f7y83ernxmb-voiepayroll report. This report dated 6/1/2022 expires 9/29/2022 and must be retained in the loan file. No further documentation is required for this income.
FEI0289	For Patrick Freddie, employment at ABC GROUP INC was assessed using the [REDACTED] 7y83ernxmb-voiepayroll report. The 10-day pre-closing verification (10-day PCV) requirement is met if the Note Date is on or before 6/14/2022 and ABC GROUP INC matches submitted employment.

If the Note Date is on or before the close-by-date the 10-day PCV requirement is met.

**Note:** If LPA was unable to determine a close-by-date review the messages returned on the Feedback Certificate for specific details. Refer to the [LPA Feedback Messages](#).

## FAQ's and Resources

1. When do I need to refresh my report, or order a new report to verify employment?

↳ If the close-by-date returned on the LPA Feedback Certificate has expired, the report needs to be refreshed, or a new report to verify employment needs to be ordered.

2. Can refreshing the report impact the representation and warranty relief eligibility?

↳ It can. When a report is refreshed, the loan is re-evaluated using updated income and asset data and that may change the representation and warranty relief eligibility.

3. Do I receive representation and warranty relief when I use this automated 10-day PCV option?

↳ No, you do not receive representation and warranty relief for the 10-day PCV.

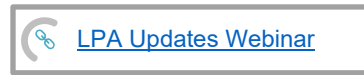
4. Can I still use the automated 10-day PCV even though I received "Not Eligible" for income representation and warranty relief?

↳ Yes, you can use the verification report to satisfy the 10-day PCV requirement regardless of the income or asset representation and warranty relief eligibility result.

5. Can the 10-day PCV be used without using any other AIM offering?

↳ Yes, this can be used when traditional income documentation such as paystubs, W-2s and written verification of employment (VOEs) are used.

Refer to the following [resources](#) for additional information:



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