

The following releases are happening in Loan Quality Advisor[®] effective February 29, 2024.

The February Loan Quality Advisor[®] releases include reminders for upcoming condominium projects, Loan Selling Advisor[®] critical edits, Home Possible[®] mortgage credit and the requirement to include trended credit data in submissions to Loan Quality Advisor. Make sure you're familiar with these updates so you can continue creating opportunities for your borrowers. Make sure you're familiar with these updates so you can continue creating opportunities for your borrowers.

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Condominium Projects: Not Eligible

Reminder: Effective February 26, 2024, we added a warning edit to help you identify condominium loan eligibility. Single-Family Seller/Service Guide [Bulletin 2023-24](#) announced that loans secured by units in a condo project that receive a "Not Eligible" Project Assessment Request (PAR) status finding in Condo Project Advisor[®] are not eligible for sale to Freddie Mac. For these loans, you'll initially receive a warning edit in Loan Quality Advisor. This edit will become critical effective April 29, 2024

We're also adding a requirement applicable to all PAR statuses, including the Not Eligible status. The Seller or, if applicable, the Seller's related third party, must notify Freddie Mac if it becomes aware of any information that could impact, or that is inconsistent with, the project's PAR status finding, as soon as feasible. This notification must happen no later than five business days after the Seller becomes aware of such information.

Please reference [Bulletin 2023-24](#) and [Section 5701.10\(d\)](#) for more details.

Secondary Financing

As previously announced in [August 2023](#), Loan Selling Advisor[®] will soon have critical edits for loans with secondary financing. Effective March 18, 2024, a critical error message will be returned if all the information for secondary financing in the ULDD Data Points for Related Loans is not entered.

Loan Selling Advisor will display a critical message on loans when the loan to value (LTV) ratio and total loan to value (TLTV) ratio match (indicating no secondary financing), yet the LTV and TLTV ratios differ in [LPASM](#) or Loan Quality Advisor (indicating the presence of secondary financing).

Refer to Guide Section [6302.34](#) and Loan Selling Advisor's [January 12, 2024](#) article.

Home Possible® Very Low-Income Purchase (VLIP) Mortgage Credit

At Freddie Mac, we strive to further our affordable housing mission by expanding access to credit responsibly and providing opportunities for sustainable homeownership for very low-income homebuyers. We're evolving the Freddie Mac BorrowSmart® program, currently offered on a negotiated basis, by providing a \$2,500 credit for all Home Possible mortgages with very low-income purchase (VLIP) borrowers. The credit must be used towards a borrower's down payment and/or closing costs.

For mortgages meeting the requirements of Bulletin 2024-A, Sellers must deliver the following ULDD Data Points:

- | | | |
|-----------------------------|-------------|--|
| Loan Program Identifier | Sort ID 404 | Enter a valid value of "Home Possible Mortgage." |
| Investor Feature Identifier | Sort ID 368 | Enter a valid value of "K10," indicating Home Possible VLIP Mortgage Credit. |

The Home Possible VLIP Credit for [LPASM](#) originated loans will be effective for mortgages with settlement dates on or after March 1, 2024 and on or before February 28, 2025.

Read [Guide Bulletin 2024-A](#), issued February 5, for more detailed requirements.

Loan Quality Advisor Submissions to Require Trended Credit Data

Later this year, we'll start requiring Loan Quality Advisor submissions to include trended credit data. Trended credit data is expanded credit information reflecting historical tradeline data such as balances, scheduled payments and actual payments reported for each month over an extended period of time. The inclusion of this data will allow Loan Quality Advisor to perform a more robust risk assessment. We'll announce more details about this requirement in a future Guide Bulletin, targeting Q2 2024. While there should be minimal preparation work for you on this, we do encourage you to begin working with your credit reporting companies and technical affiliates to prepare for this change.

For future updates and announcements, please click [here](#) to subscribe.

For quick access to the latest feedback message updates to our tools, bookmark the Freddie Mac Loan Advisor® Resources and Learning [webpage](#).

