

Rental income may be used in qualifying the borrower(s) provided the requirements of Guide Chapter 5306 and the documentation requirements contained in Guide Sections 5102.3 and 5102.4 and Chapter 5302 are met.

This document is for entering rental income generated from a **non**-subject investment property owned by the borrower (aka: Other Real Estate Owned (REO)) through Loan Product Advisor[®] (LPASM). Note: For rental income generated from a subject investment property refer to <u>How to Enter Rental</u> <u>Income for a Subject Investment Property</u> resource.

Steps	Results	
1. After logging in to Loan Product	Freddie Mac Loan Advisor® 🛛 🕾 MENU	오 🛇 Contact Us 👔 Help
Advisor, the Loan	Icoan Product Advisor CREATE LOAN OTHER LINKS	
Product Advisor Welcome Page displays.	Welcome to Loan Product Advisor	
	Search using at least one of the fields below	
	LP AUS Key Loan Application #	AUS Transaction #
	Borrower Let Name	Submission Data
	AUS Risk Class Accept Caution Refer FIND LOANS RESET	
2. Click on Create Loan and select		I S Dented Is O (1) Hole
Enter	Loan Product Advisor CREATE LOAN OTHER LINKS	
Application.	Enter Application Import Application	
	Note: You have the option to select "Import Application" Product Advisor.	to import the loan data into Loan

This information is not a replacement or substitute for the requirements in the Freddie Mac *Single-Family Seller/Servicer Guide* or any other contractual agreements. This information does not constitute an agreement between Freddie Mac and any other party. © 2023 Freddie Mac <u>Freddie Mac Learning</u>



	Steps	Results
3. E ir L n tl	Enter the loan nformation on the Loan File Setup netro stop and hen select Create Loan File.	Image: Second
4. C ru y tl s	Complete all the equired fields as you navigate hrough each metro stop.	Create Loan: Loan File Setup LOAN ARE HEND Tip: If you selected "Import Application" take the opportunity to review each metro stop for data accuracy.
5. N F s tl C	Navigate to the Real Estate metro stop to complete he "Property You Dwn" fields.	Notes: Notes: Note: Not: Not:



	Steps	Results	
6.	Enter rental income generated from a non-subject investment property in the "For 2-4 Unit Primary or Investment Property" Section.	 For 2-4 Unit Primary or Investment Property Gross Monthly Rental Income Income Determine rental income based on the requirements outlined in Guide Section 5306. Sold.4. Note: Refer to Bulletin 2023-19, which announced updates to requirements for reminerome. Sellers may implement the new requirements prior to the mandatory effect April 1, 2024 version of this section. If providing the <u>net rental income</u>: Enter the gross monthly rent received in the Gross Monthly Rental Incomfield, <i>and</i>, Enter the net monthly rental income amount in the Net Monthly Rental Incomfield. 	
		Property You Own	
		 If the property has a negative net monthly rental income value, use a "-" to indicate a negative amount. This negative value will be included in the borrower's Total Monthly Debt. If the net monthly rental income value is zero, you must enter the net rental income as either \$0.00 or depending on the specific LOS data entry, you maneed to enter \$0.01/-\$0.01. Loan Product Advisor will include all liabilities and expenses associated with the property as a debt if the Gross Monthly Rental Income and the Net Monthly Rental Income fields are either not completed or entered as "\$0.00 	
		 If providing <u>gross monthly rental income</u>: If the requirements outlined in Guide Section 5306.1 and 5306.4 are met to use the "gross" rental income, complete the Gross Monthly Rental Income field. Do not enter a numeric value in the Net Monthly Rental Income field. This field must be left blank. Loan Product Advisor will determine the net rental income/loss, as described in Guide Section 5306.4(a)(i)(iii): (e.g., Gross Rental Income x 75% - monthly payment amount). The result of the calculation will display in the Net Monthly Rental Income field <u>after you click submit</u>. 	





	Steps			Results		
		Property You Own				Does not apply
		Disposition Status * Retained	Monthly Insurance, Taxes, Assoc. Dues	Estimated Property V	alue	
		Subject Property Ves No	Property Usage Type (Current) O Primary Residence	Property Usage Type	(Proposed) Project Structure Type nce Ondominium	3/110
			 Second Home Investment 	 Second Home Investment 	 Cooperative Not Applicable 	ADD
		Joint Property *			on using Cross Monthly D	
		For 2-4 Unit Primary or Investment Gross Monthly Rental Income	Property Net Monthly Rental Inco		come leave Net Monthly R	ental
		\$ 600.00	\$	Inco	ome blank. LPA will calcula	te this
7	Oliale "ADD" on the	1				
7.	right side of the		3/110			
	page.					
			ADD			
		-				
8.	Click the icon, "Add	PROPERTY DETAILS STATUS	MONTHLY INSURANCE, TAXES, ASSOC. DUES	EST	TIMATED PROPERTY VALUE	ACTIONS
	mortgage to	Retained SUBJECT PROPERTY	PROPERTY USAGE TYPE (CURRENT) Investment	PR	OPERTY USAGE TYPE (PROPOSED) PROJECT S	Add Mortgage to property
	property".	JOINT REAL ESTATE WITH	investment		resurrent -	
		GROSS MONTHLY RENTAL INCOME \$800.00	NET MONTHLY RENTAL INCOME \$125.00			
9.	Complete the	A T T CALLER				
required fields for		×				
	the mortgage for Creditor Name * Account Number					
the non-subject XYZ Lender						
	property. Click	Monthly Mortgage Payment *	Unpaid Bal	ance *	Credit Limit (HELOC 0	inly)
	"Save".	Paid off at or before closing *	Exclude fro	om Calculations? *	Resubordination Ind	icator
		Ves No	⊖ Yes	No	🔵 Yes 💿	No
		Ves No				
				SAVE CA	NNCEL	
10	The Dreperty	1 STATUS	MONTHLY INSURANCE, TAXES, ASSOC	. DUES	ESTIMATED PROPERTY VALUE	1 🕀 💼
10.	Details section will	Retained SUBJECT PROPERTY No	 PROPERTY USAGE TYPE (CURRENT) Investment		PROPERTY USAGE TYPE (PROPOSED) P Investment	ROJECT STRUCTURE TYPE
	display the added	JOINT REAL ESTATE WITH		1		To edit or
	Mortgage	GROSS MONTHLY RENTAL INCOME \$800.00	NET MONTHLY RENTAL INCOME \$125.00			delete click the applicable icon.
	information.	Mortgages	ACCOUNT NUMBER	CREDITOR NAME 123 lend		applicable loom
			\$672.00 PAID OFF AT OR BEFORE CLOSING	\$89000.00 EXCLUDE FROM CALCULATIONS		
			No JOINT MORTGAGE WITH	Yes	No	
		2 STATUS	MONTHLY INSURANCE, TAXES, ASSOC	. DUES	ESTIMATED PROPERTY VALUE	<i>1</i> ∕ ⊕ m
		Retained SUBJECT PROPERTY			PROPERTY USAGE TYPE (PROPOSED) P Investment	ROJECT STRUCTURE TYPE
		JOINT REAL ESTATE WITH	ແນຮອຟຟາຍານ		nivestillent -	
		GROSS MONTHLY RENTAL INCOME \$600.00	NET MONTHLY RENTAL INCOME \$-50.00			
		Mortgages	ACCOUNT NUMBER	CREDITOR NAME 123 lend	000000111111	Ø 🛍
			PAUM HILT MORTGAGE PAYMENT \$500.00 PAID OFF AT OR BEFORE CLOSING	UNPAID BALANCE \$50000.00 EXCLUDE FROM CALCULATIONS	CREDIT LIMIT RESUBORDINATION INDICATOR	
			No	No	No	





Steps		Results
11. Once all the required fields on each of the metro stops are complete, click "Submit".	Frieddie Mac Loan Advisor ⁴⁴ EI MENU Stan Product Advisor CREATE LOAN OTHER LINUS Create Loan: Borrower Information LOAN FLE SETUP BORROWER INFO ADSETS AND LABULITIES REAL ESTATE	
12. The Loan Product Advisor Feedback Certificate will display.	Qualifying Ratios PROPOSED HOUSING (PITI) \$1,345.99 PROPOSED HOUSING (PITI) \$1,345.99 Dest PATIO 20% Cost 20% Cost 20% Cost Cost	
13. Check out additional Loan Product Advisor resources.	Seller/Servicer Guide Chapter 5300 Freddie Mac Learning: Loan Produ Advisor Training website	End Form 92 Ct Rental Income Matrix Rental Income webinar

This information is not a replacement or substitute for the requirements in the Freddie Mac *Single-Family Seller/Servicer Guide* or any other contractual agreements. This information does not constitute an agreement between Freddie Mac and any other party. © 2023 Freddie Mac

Freddie Mac Learning

