Freddie Mac and ICE Collaboration Offers Lenders Greater Efficiencies When Originating Loans

January 15, 2025

MCLEAN, Va., Jan. 15, 2025 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) and Intercontinental Exchange, Inc. (NYSE:ICE), a leading global provider of technology and data, today announced enhancements that leverage both companies' automation technologies to enable lenders to more quickly and efficiently underwrite mortgage loans starting at the point of sale.

"Together, Freddie Mac and ICE have leveraged our organizations' unique technological strengths to help lenders originate more mortgages in this challenging market," said Freddie Mac's Kevin Kauffman, Senior Vice President, Seller Engagement, Single-Family Acquisitions. "The result is empowering lenders to originate more loans eligible for sale to Freddie Mac without changing their workflow. We're also arming lenders with more detailed information around purchase requirements as well as cost-saving options for first-time homebuyers."

New enhancements give lenders heightened integrated access to the latest offerings in Loan Product Advisor® (LPA®), Freddie Mac's automating underwriting system, from within Encompass®, ICE's widely used digital mortgage lending platform. The Encompass Underwriting Center's dual AUS feature provides:

- Access to Freddie Mac's LPA Choice℠ feedback messages, which offer actionable responses to help lenders make faster, informed decisions and turn more Cautions messages to Accepts. Feedback messages include information about debt-to-income ratios, loan-to-value ratios and reserves.
- Feedback on whether a given loan is eligible for employment representation and warranty relief.
- Access to critical LPA messages highlighting Freddie Mac's automated collateral evaluation (ACE) and ACE+ PDR appraisal alternatives.

"ICE is actively digitizing mortgage lending; integrating systems, solutions and processes to provide maximum value for lenders and households alike," said Tim Bowler, President of ICE's mortgage technology division. "By virtue of this collaboration, Encompass users can now seamlessly access Freddie Mac's latest LPA offerings as part of their existing workflows. As always, the goal is to increase efficiency, lower costs and help lenders put more qualified borrowers into homes they can afford."

Freddie Mac's LPA includes capabilities that help lenders automate the assessment of borrower assets, income and employment while identifying the existence of positive cash flow or consistent rent payment history that could positively impact the risk assessment.

A recent analysis shows that loans originated by lenders leveraging certain Freddie Mac automated offerings are up to four times less likely to produce defects than loans without this technology. Process automation is especially beneficial for documenting income, both in collection and assessment, given that income verification issues account for nearly one-third of all purchase transaction defects.

About Freddie Mac
Freddie Mac's mission is to make home possible for families across the nation. We promote liquidity, stability, affordability and equity in the housing market throughout all economic cycles. Since 1970, we have helped tens of millions of families buy, rent or keep their home. Learn more: Website | Consumers | Twitter | LinkedIn | Facebook | Instagram | YouTube

About Intercontinental Exchange
Intercontinental Exchange, Inc. (NYSE: ICE) is a Fortune 500 company that designs, builds, and operates digital networks that connect people to opportunity. We provide financial technology and data services across major asset classes helping our customers access mission-critical workflow tools that increase transparency and efficiency. ICE's futures, equity, and options exchanges -- including the New York Stock Exchange -- and clearing houses help people invest, raise capital and manage risk. We offer some of the world's largest markets to trade and clear energy and environmental products. Our fixed income, data services and execution capabilities provide information, analytics and platforms that help our customers streamline processes and capitalize on opportunities. At ICE Mortgage Technology, we are transforming U.S. housing finance, from initial consumer engagement through loan production, closing, registration and the long-term servicing relationship. Together, ICE transforms, streamlines, and automates industries to connect our customers to opportunity.

Trademarks of ICE and/or its affiliates include Intercontinental Exchange, ICE, ICE block design, NYSE and New York Stock Exchange. Information regarding additional trademarks and intellectual property rights of Intercontinental Exchange, Inc. and/or its affiliates is located here. Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading "Key Information Documents (KIDS)."

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 -- Statements in this press release regarding ICE's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see ICE's Securities and Exchange Commission (SEC) filings, including, but not limited to, the risk factors in ICE's Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 8, 2024.

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