Freddie Mac Introduces Innovative Appraisal Alternative for Home Purchases and Refinances

August 18, 2017

Borrowers and lenders can realize substantial savings and achieve faster, more efficient closings for loans processed through Loan Advisor Suite(R)

MCLEAN, VA--(Marketwired - Aug 18, 2017) - Freddie Mac (OTCQB: FMCC) announced today that consumers who are buying homes or refinancing existing mortgage loans may be eligible for an automated appraisal alternative. Borrowers may be able to realize savings in some instances of approximately $500, and closing times may be reduced by as many as seven to 10 days in cases where Freddie Mac's innovative new capability determines a traditional appraisal isn't needed.

Freddie Mac's automated collateral evaluation (ACE) assesses the need for a traditional appraisal by leveraging proprietary models and using data from multiple listing services and public records as well as a wealth of historical home values to determine collateral risks.

"By leveraging big data and advanced analytics, as well as 40+ years of historical data, we're cutting costs and speeding up the closing process for borrowers," said David Lowman, executive vice president of Freddie Mac's Single-Family Business. "At the same time, we're providing immediate collateral representation and warranty relief to lenders. This is just one example of how we are reimagining the mortgage process to create a better experience for consumers and lenders."

To find out if a property is eligible for ACE, lenders must submit loan data through Loan Product Advisor®, the cornerstone of Loan Advisor Suite®. Loan Advisor Suite is Freddie Mac's smart end-to-end technology solution that assesses credit, capacity and collateral to help lenders validate the quality of the loans they originate. Lenders receive real-time risk assessment feedback and information about the loans.

ACE will be available for qualified home purchases beginning on Sept. 1, 2017; it has been available for qualified refinances since June 19, 2017.

If ACE determines that the estimated value of the home provided by the lender is acceptable, the lender may receive immediate representation and warranty relief related to the value, condition and marketability of the property upon delivery of the loan to Freddie Mac.

"When we launched Loan Advisor Suite in July 2016, we set out to give our customers certainty, usability, reliability and efficiency," said Andy Higginbotham, senior vice president of strategic delivery and operations for Freddie Mac's Single-Family Business. "ACE is our most recent capability to deliver on that vision."

For more information on Loan Advisor Suite, click here.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at FreddieMac.com, Twitter @FreddieMac and Freddie Mac's blog.

MEDIA CONTACT:
Lisa Tibbitts
703-903-4510 (Office)
703-597-6989 (Mobile)
Lisa_Tibbitts@FreddieMac.com

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