

Overview

This educational reference contains information about specific messages you may receive while using Loan Prospector. **It offers clarification to assist you in determining and resolving any issues in order to obtain a complete assessment.** You may encounter two types of messages:

- **Processing Error Messages** – Messages received online when a Loan Prospector submission cannot be processed.
- **Feedback Messages** – Messages received on the Loan Prospector Full Feedback Certificate and the Documentation Checklist.

Feedback messages provide detailed information about the assessment of the loan application data. This information should be used to guide you in documenting and underwriting loans for sale to Freddie Mac. Loan Prospector is not designed to, and does not, furnish rationales or reasons for a lender's decision to originate (or not to originate) a loan. Therefore, you may not use Loan Prospector feedback messages in an adverse action notice as a substitute for your own assessment of a loan application and your own reasons for not originating a loan.

Message Locations

The following table includes types of messages presented in the Loan Prospector Results and the location of these messages. Examples of each message type are provided further below with the reasons or clarifications on why the message was received, and recommended actions to resolve issues.

| Message Type | Message Location |
|----------------------------|---|
| Processing Errors | Messages provided while working online in Loan Prospector |
| Invalid Status Messages | Loan Prospector Invalid Messages page |
| Ineligible Status Messages | Loan Prospector Ineligible Messages page |
| Incomplete Status Messages | Loan Prospector Incomplete Messages page |
| Purchase Restriction | Loan Prospector Full Feedback Certificate |
| Credit Risk | Loan Prospector Full Feedback Certificate |

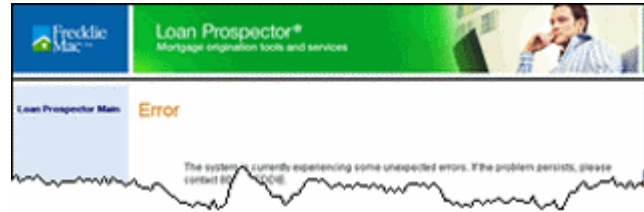
Note: Vertical revision bars " | " are used in the margin of this quick reference to highlight new requirements and significant changes

Message Abbreviations

To provide the greatest guidance in a limited space, certain terms are abbreviated within Loan Prospector messages. The following table contains abbreviations used in the messages sent from Loan Prospector:

| Abbreviation | Term | Abbreviation | Term |
|-----------------|--------------------------|--------------|--------------------------------------|
| & | And | Invid | Invalid |
| > | Greater Than | Lft | Left |
| < | Less Than | Lndr | Lender |
| # | Number | LCE | Loss Coverage Estimate |
| 2 nd | Secondary | Loc | Location |
| 2nds | Seconds | LP | Loan Prospector |
| Accept | Acceptable | LTV | Loan-to-Value |
| Acct | Account | Max | Maximum |
| Actn | Action | MI | Mortgage Insurance |
| Add | Address | Min | Minimum |
| Adtl | Additional | Mos | Months |
| Agri | Agricultural | Msg | Message |
| Alt | Alternate | MSP | Mortgage Service Provider |
| Am | Amortization | Mtg | Mortgage |
| Amt | Amount | NCO | No Cash Out |
| App | Application | NegAM | Negative Amortization |
| Appt | Appointment | NegAM | Negatively Amortizing |
| Asesmt | Assessment | N | No |
| Bal | Balance | Opt | Option |
| Borr | Borrower | Pd | Paid |
| Bus | Business | Ph | Phone |
| CA | California | Pmt | Payment |
| Cert | Certificate | Prem | Premium |
| Charac | Characteristics | Pres | Present |
| Chngs | Changes | Prm | Prime |
| Co | Company | Prop | Property |
| C/O | Cash Out | Purch | Purchase |
| Coll | Collateral | Refi | Refinance |
| Comm | Commercial | Reqd | Required |
| Comm | Communication | Reqmt | Requirement |
| Comp | Completion | Resub | Resubmit |
| Compr | Comprehensive | Revw | Review |
| Condo | Condominium | Rnd | Round |
| Cov | Coverage | Rqst | Request |
| Cncl | Cancel | Rsrv | Reserves |
| Cncl | Cancellation | S/E | Self Employed |
| Cnty | County | Sig | Significant |
| CRC | Credit Reporting Company | Specs | Specifications |
| Crdt | Credit | S/S | Seller/Servicer |
| Deliv | Delivery | SSN | Social Security Number |
| Desc | Description | Stat | Status |
| Doc | Document | Stmt | Statement |
| Doc | Documentation | Sub | Submit |
| Dupl | Duplicate | Subj | Subject |
| Emp | Employment | Tele | Telephone |
| Emplmt | Employment | TLTV | Total Loan-to-Value |
| Est | Estimate | TPO | Third Party Originator |
| Exp | Expenses | Trans | Transaction |
| Fin | Finance | UPB | Unpaid Principle Balance |
| Fin | Financing | Updt | Update |
| FM | Freddie Mac | URAR | Uniform Residential Appraisal Report |
| Freq | Frequency | U/W | Underwriting |
| Habitbl | Habitable | Verif | Verification |
| ID | Identify | VOE | Verification of Employment |
| Incmp | Incomplete | W/ | With |
| Incorr | Incorrect | Y | Yes |
| Inelig | Ineligible | Yr | Year |
| Info | Information | YTD P&L | Year-To-Date Profit and Loss |
| Insp | Inspection | | |
| Inv | Investment | | |

Online Processing Errors



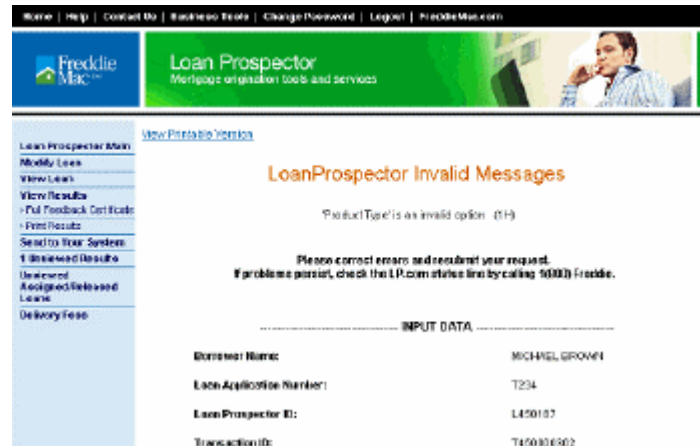
This table lists a sample of common **errors** by ascending code number as they appear both to a lender and a third-party originator. You may receive these errors online while you are working in Loan Prospector:

| Code | Lender Message | Third-Party Originator Message | Potential Cause | Recommended Action |
|------|---|--|---|--|
| 02 | "Processing error 02 occurred on this application. Please re-submit. If error recurs, check the LP.com status line by calling 1-800-FREDDIE." | "Processing error 02 occurred on this application. Please re-submit. If error recurs, please contact your sponsoring Seller/Service." | <ul style="list-style-type: none"> • Selecting the 'Refresh' key while waiting for results • Communication error • Loan Prospector could be unavailable • No loan application number included with submission | <ul style="list-style-type: none"> • Do not select Refresh while waiting for results, unless necessary for your internal process • Be sure that a loan application number is included with submission |
| 12 | "Processing error 12. Invalid Seller ID, TPO ID, or password. Verify and re-submit. If error recurs, please call 1-800-FREDDIE" | "Processing error 12. Invalid TPO ID, sponsoring Seller ID, or password. Verify and resubmit. If error recurs, please contact your sponsoring Seller/Service." | Incorrect or invalid TPO number, Loan Prospector password or seller number | Check accuracy of TPO and Seller number as well as Loan Prospector password |
| 20 | "Processing error 20. Invalid Seller/MSP relationship. Verify and re-submit. If error recurs, call 1-800-FREDDIE." | N/A | Seller does not have a relationship established with MSP/Contract Underwriting | Seller must notify MSP/Contract Underwriting who will then contact Freddie Mac setup department to establish relationship on our side |
| 21 | "Processing error 21. Invalid Seller/TPO relationship. Verify and re-submit. If error recurs, check the LP.com status line by calling 1-800-FREDDIE." | N/A | Broker not setup with Wholesale lender to verify relationship | Customer must register at URL provided by Wholesaler to sign up for Loan Prospector via a sponsoring wholesaler <i>Note – Wholesale/Freddie Mac 6-digit Seller number will be required</i> |

| Code | Lender Message | Third-Party Originator Message | Potential Cause | Recommended Action |
|-------------|---|---|--|---|
| LP53 | Unable to process file. Invalid file format. Please correct and resubmit. If problem persists, contact your system administrator. | Unable to process file. Invalid file format. Please correct and resubmit. If problem persists, contact your system administrator. | Typically triggered for data validation errors: <ul style="list-style-type: none"> • Loan amount contains invalid amount • 401k does not match any element of enumeration • Invalid marital status- • Service request must contain merged credit (for FHA loans) • Borrower paid FHA/VA closing costs amount must be present under FHA/VA loan and must be greater than 0 • GSE Refinance Type of 'cash out other' requires cash out amount to be present • Loan amount contains an invalid character • Divorced is not a valid marital status • Detached is not a valid GSE property type in the REO section, but is valid in the loan features section • Mismatch between amortization term and balloon term | Contact your internal tech support, and/or the vendor support to validate the data in the request file. If you are unable to resolve, the XML request and response file should be sent to Loan Prospector Customer Service to review. Contact 800 Freddie for additional information. |
| LP60 | Unable to process file. Invalid file format. | Unable to process file. Invalid file format. | Borrower does not match existing borrower. | Check the borrower name. Correct and resubmit. |
| LP61 | Unable to process file. Invalid file format. | Unable to process file. Invalid file format. | Merged Credit Reference Number not valid with Reorder Credit Service. | Do not input merged credit reference number for the specific borrower if ordering Reorder Credit Service for that borrower. |
| LP62 | Reorder Merged Credit is not available. | Reorder Merged Credit is not available. | Reorder Merged Credit Service is not available. | Do not choose merged credit for the Reorder Credit Service. |
| LP97 | LP internal technical difficulties | LP internal technical difficulties | Typically triggered for data validation errors: <ul style="list-style-type: none"> • Merged credit code and merged credit specifications must be valid • Dates for Loan Scheduled Closing Date and Scheduled First Payment Date must be in the format of YYYYMMDD • For an ARM loan, must not have multiple adjustment types • Rescore request with LP AUS Key and no Loan Prospector LID • Fixed loan with ARM elements present • Environment is down (while this may indicate Loan Prospector is down, the more likely reason is a problem with the file being sent to Loan Prospector) • Incorrect payment on mortgage and incorrect remaining term entered • Loan Prospector Loan Identifier contains invalid data | Contact your internal tech support, and/or the vendor support to validate the data in the request file. If you are unable to resolve, the XML request and response file should be sent to Loan Prospector Customer Service to review. Contact 800 Freddie for additional information. |

| Code | Lender Message | Third-Party Originator Message | Potential Cause | Recommended Action |
|----------------------------|----------------|--------------------------------|--|--------------------|
| <p>LP97 (cont.)</p> | | | <p>Typically triggered for XML errors:</p> <ul style="list-style-type: none"> • Bracket character, '[' or ']', in name of employer • Ampersand (&) character in name description of asset or employer • Service Order Attribute "Order AUS" listed twice in request file • Doesn't match element of numeration (non-existing or mistyped attribute) | |

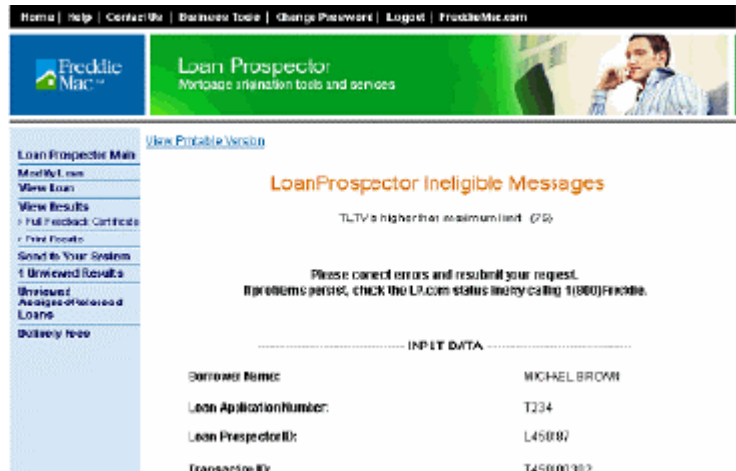
Invalid Status Messages



Some commonly seen feedback messages, listed in this table, may be returned from Loan Prospector with an **Invalid** status. These messages indicate why a transaction request could not be completed and would appear on a Loan Prospector Invalid Messages page.

| Code | Invalid Status Messages | Clarification/Recommended Action |
|------|---|---|
| 1E | 'Reserves' must contain a \$ amount = or > 0. | Liquid assets must be greater than amount required to close the transaction (down payment, closing costs and prepaids). |
| 3C | 'Total Debt' must include PITI. | Check your Liability and REO Breakdown data. Specifically check number of months remaining on non-revolving debts, as well as the subject property / current residence indicators in the breakdown. |
| 3F | 'Buydown Subsequent Adjustment Percentage' must be valid. | Check Buydown screen to ensure accurate information. Also refer to the product requirements provided in the Guide. |
| 3G | 'Buydown Contributor' must be a valid code. | Check Buydown screen to ensure accurate information. Also refer to the product requirements provided in the Guide. |
| 3L | 'Buydown Initial Adjustment Percentage' must be valid. | Check Buydown screen to ensure accurate information. Also refer to the product requirements provided in the Guide. |
| 3S | Total occupying borrower income must contain a \$ amount > 0. | Check declarations and intended use of property. |
| 3U | 'Total Debt' for inv. prop. must include pres housing exp. | The primary residence must be flagged as such in the REO Breakdown and must be matched with the corresponding mortgage. |
| 3V | 'Total Debt' for second homes must include all housing exp. | The primary residence must be flagged as such in the REO Breakdown and must be matched with the corresponding mortgage. |
| 5M | 'Cash Out Amount' must = 0. | A no-cash out refinance cannot reflect any cash amount. |
| PE | 'Total Occupant Debt' must include PITI. | For non-occupant borrowers, total debt must consist of proposed PITI on subject property, non-occupant housing (their primary residence) and other debt for all borrowers. |

Ineligible Status Messages



This table lists some commonly seen messages that may be returned from Loan Prospector with an **Ineligible** status. These messages indicate why a transaction request is ineligible for Loan Prospector processing and would appear on a Loan Prospector Ineligible Messages page.

| Code | Ineligible Status Messages | Clarification/Recommended Action |
|------|---|--|
| 20 | Product ineligible for Initial Interest offering. | Check the ARM initial adjustment and subsequent adjustment periods. Must be entered in months, rather than years, and must be within the parameters of the Initial Interest ARM product suite. |
| 75 | TLTV is higher than maximum limit. | Check accuracy of appraised value. If a refinance, verify that no purchase price is entered. Make sure seller allowable financing concessions are not showing as sales concessions. |

Incomplete Status Messages



This table lists some commonly seen feedback messages that may be returned from Loan Prospector with an **Incomplete** status. These messages indicate why data problems prevented the transaction request from being completed and would appear on the Loan Prospector Incomplete Messages page.

| Code | Incomplete Status Messages | Clarification/Recommended Action |
|------|--|--|
| 11 | No useable credit reports were received for borrower(s). | Confirm accuracy of borrower name and SSN. Borrower credit history may not be robust enough for Loan Prospector to assess the transaction. |
| 21 | Multiple disputed tradelines; loan not eligible for LP. | Confirm accuracy of accounts being disputed. If inaccurate should be corrected at repository level and rescored. |
| HM | LTV ratio must be between 11% and 125%. | FHA Refinances require purpose of loan as no cash out refinance, not streamlined. A streamlined purpose of refinance will trigger this error because no LTV will be calculated on the ineligible response. |
| FF | S/E Borr w/out usable credit score - inelig for LP assmnt. | The transaction does not meet the criteria for Loan Prospector being able to assess with only one borrower having usable credit. |
| FG | For LP, >50% total inc reqd from Borr w/usable credit score. | The transaction does not meet the criteria for Loan Prospector being able to assess with only one borrower having usable credit. |
| FH | Unusable credit score - C/O refi inelig for LP assmnt. | The transaction does not meet the criteria for Loan Prospector being able to assess with only one borrower having usable credit. |
| FJ | Unusable credit score - prim residence reqd for LP assmnt. | The transaction does not meet the criteria for Loan Prospector being able to assess with only one borrower having usable credit. |
| FK | Unusable credit score - all must occupy prop for LP assmnt. | The transaction does not meet the criteria for Loan Prospector being able to assess with only one borrower having usable credit. |
| FL | Unusable credit score - # units must=1 for LP assmnt. | The transaction does not meet the criteria for Loan Prospector being able to assess with only one borrower having usable credit. |
| GE | Selected CRC cannot be accessed at this time. | Returned on FHA loans. Could be due to setup problem, data mismatch, etc. |
| ME | Merged Credit Error: ~CRC_ME~ | Returned on CONV loans. Could be due to setup problem, data mismatch, etc. |

Purchase Restriction Feedback Messages

This table lists some commonly seen feedback messages that may be returned and explains why a loan may be **ineligible for purchase** by Freddie Mac, or unacceptable for FHA insurance or VA guaranty. These messages appear on the Loan Prospector Full Feedback Certificate in the Purchase Restriction section.

| Code | Purchase Restriction Messages | Clarification/Recommended Action |
|------|--|--|
| 20 | LTV/TLTV exceeds max Freddie Mac limits. | Verify product requested is identified properly, via the Offering Identifier, and if an ARM product, that the initial and subsequent adjustment periods are showing correctly in months and not years. |
| 29 | Loan does not meet FM Manufactured Home requirements. | Check loan terms against manufactured homes guidelines. |
| N/A | Customer receives 'Accept', but Freddie Mac 'Ineligible' under purchase eligibility. | The most common cause for this error is because the LTV or TLTV is such that the loan would need to be flagged with an Offering Identifier to be eligible for purchase. The LTV is over the limit that would normally be eligible for purchase for a standard guide product. This occurs when attempting to do a Home Possible or Freddie Mac 100 and the corresponding Offering Identifier has not been selected. |

Credit Risk Messages

This table displays some commonly seen feedback messages focused on the highest **risk factors** of the loan to guide the underwriting analysis. These messages appear on the Loan Prospector Full Feedback Certificate in the Credit Information section, Credit Risk Comments subsection.

| Code | Credit Risk Messages | Clarification/Recommended Action |
|------|---|--|
| 14 | A bankruptcy appears on the application. | Ensure your Declarations are accurate. |
| 15 | A foreclosure appears on the application. | Ensure your Declarations are accurate. |

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