

Announcement # 24-45**Date:** May 09, 2024

Freddie Mac 2024-1: LPA Estimated Property Values Procedure

Freddie Mac is updating their Seller Guide to require lenders to have written procedures in place regarding estimated property values being entered into Loan Product Advisor (LPA) for refinance transactions.

Effective June 5, 2024, lenders must have written procedures in place that explicitly prohibit changes to the estimated property value in LPA for the purposes of obtaining ACE or ACE+PDR eligibility, or securing more favorable mortgage terms (such as avoiding mortgage insurance).

The written procedures must outline a process for establishing the estimated value at the beginning of the loan process. Acceptable methods include, but are not limited to:

- The borrower's estimated value
- An automated valuation model (AVM)
- Online valuation tool or website

Pennymac is aligning with these requirements. Correspondent clients may be asked to provide a copy of their Estimated Property Value written procedure(s) during the Pennymac certification and recertification process.

Please contact your Sales Representative with any questions.