



## Overview of the Loan Prospector June 2008 Enhancements

On June 15, we are updating Loan Prospector® to improve functionality and provide you with additional tools in using Loan Prospector. Our upcoming Loan Prospector enhancements include:

- Adding a new informational feedback message to provide you with the U.S. Department of Housing and Urban Development's (HUD) conforming jumbo mortgage loan limit on all conventional, 1-unit property submissions.
- Making necessary changes to Loan Prospector as part of our ongoing maintenance. We will also introduce several new Loan Prospector feedback messages associated with these changes.
- Expanding our existing Reorder Credit Service to allow you to use the service to request a new merged credit file, in addition to credit infiles. (Loan Prospector version 4.2.01)
- Enhancing the Loan Prospector Feedback Certificate with information to assist you in determining which version of Loan Prospector you are using.
- Updating Loan Prospector's Merged Credit Reference Number (MCRN) functionality.

Use the following chart to understand these changes.

Changes in Loan Prospector	Why We're Making These Changes	Key Information				
<b>New Feedback Message Provides Conforming Jumbo Mortgage Loan Limit</b>						
<p>Adding a new informational feedback message that will be returned for all conventional, 1-unit property submissions.</p>	<p>The new message will provide you with the HUD conforming jumbo loan limit for the property included in the submission.</p>	<p>This new message will help identify the HUD conforming jumbo mortgage loan limit for the county in which the property is located.</p> <p>The following new informational feedback message will be returned on all conventional, 1-unit property submissions in Loan Prospector:</p> <table border="1" data-bbox="898 841 1948 938"> <thead> <tr> <th>Message Code</th> <th>New Feedback Message</th> </tr> </thead> <tbody> <tr> <td>LPN VM</td> <td>\$~Loan Limit1~ is the maximum conforming jumbo loan amount allowed for a 1-unit property located in ~HUD County Name1~ County, ~subject property state abbreviation~.</td> </tr> </tbody> </table> <p>It is important to note that the new HUD conforming jumbo mortgage loan limits apply only to high-cost areas designated by HUD. In most counties, the conforming jumbo loan limit will be the same as Freddie Mac's current 2008 conforming loan limit. If the loan limits are the same, Freddie Mac will consider the loan to be conventional/conforming.</p> <p>The ability to sell conforming jumbo mortgages to Freddie Mac is available on a limited, negotiated basis to eligible Freddie Mac Seller/Service providers that are approved Guarantor customers.</p> <ul style="list-style-type: none"> <li>• For those customers eligible to sell conforming jumbo mortgages to Freddie Mac, you will continue to receive a "Purchase Restriction" for conforming jumbo mortgages submitted for assessment in Loan Prospector. In order to deliver these mortgages to Freddie Mac, you must review the mortgage file to ensure the mortgage meets all of our requirements as outlined in your contract.</li> <li>• If you are not eligible to sell conforming jumbo mortgages to Freddie Mac, we recommend you contact a wholesale lender or correspondent with which you have a relationship and which is offering conforming jumbo mortgages.</li> </ul>	Message Code	New Feedback Message	LPN VM	\$~Loan Limit1~ is the maximum conforming jumbo loan amount allowed for a 1-unit property located in ~HUD County Name1~ County, ~subject property state abbreviation~.
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<b>Upcoming Changes to Loan Prospector's Capabilities</b>																											
<p>Making changes to Loan Prospector and adding new Loan Prospector credit risk feedback messages.</p>	<p>As part of our ongoing maintenance of Loan Prospector, we review Loan Prospector's capabilities and make periodic changes as necessary.</p>	<p>Important things to keep in mind regarding the upcoming changes:</p> <ul style="list-style-type: none"> <li>• Once implemented, the updated model will apply only to new submissions to Loan Prospector.</li> <li>• The updated model will not apply to resubmissions of loans assessed prior to our implementation. Loan Prospector will use the previous version of the model to process these resubmissions.</li> <li>• With this update, some submissions that may have received an Accept using the previous model may receive a Caution, and those that may have previously received a Caution may receive an Accept.</li> <li>• The net impact of these changes will vary based on your individual mix of business, but is not expected to significantly change the rate of Accepts you typically receive.</li> <li>• No new data elements will be required in Loan Prospector.</li> </ul> <p>Please remember, as always, an accurate property address is important, including the city, state, and zip code. Provide as much property address information as you know during the loan assessment.</p> <p>To help you assess and determine your next steps during your loan assessment process, we are also introducing the following new Loan Prospector credit risk feedback messages:</p> <table border="1" data-bbox="898 738 1900 1123"> <thead> <tr> <th>Category</th> <th>Code</th> <th>Message Text (New/Revised)</th> </tr> </thead> <tbody> <tr> <td rowspan="8">Credit Risk Comments (RSK)</td> <td>88</td> <td>Loan amount combined with other factors adds risk.</td> </tr> <tr> <td>89</td> <td>Risk may be reduced w/fixed rate or shorter fixed loan term.</td> </tr> <tr> <td>91</td> <td>Addtl income or reduced debt may strengthen loan quality.</td> </tr> <tr> <td>92</td> <td>Property type adds risk when combined with other factors.</td> </tr> <tr> <td>93</td> <td>A more extensive credit history may lower risk.</td> </tr> <tr> <td>94</td> <td>Collection(s) and/or charge off(s) shown on credit report.</td> </tr> <tr> <td>95</td> <td>Recent collection activity combined with other factors.</td> </tr> <tr> <td>96</td> <td>Excessive risk layering-credit/property/income/product/debt.</td> </tr> <tr> <td rowspan="2">Invalid Messages (INV)</td> <td>99</td> <td>Occupancy type adds risk when combined with other factors.</td> </tr> <tr> <td>CH</td> <td>LTV/TLTV less than 1% is not valid.</td> </tr> </tbody> </table>	Category	Code	Message Text (New/Revised)	Credit Risk Comments (RSK)	88	Loan amount combined with other factors adds risk.	89	Risk may be reduced w/fixed rate or shorter fixed loan term.	91	Addtl income or reduced debt may strengthen loan quality.	92	Property type adds risk when combined with other factors.	93	A more extensive credit history may lower risk.	94	Collection(s) and/or charge off(s) shown on credit report.	95	Recent collection activity combined with other factors.	96	Excessive risk layering-credit/property/income/product/debt.	Invalid Messages (INV)	99	Occupancy type adds risk when combined with other factors.	CH	LTV/TLTV less than 1% is not valid.
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<b>Reorder Credit Service Using Merged Credit</b>		
<p>Adding the ability for you to request Reorder Credit Service using merged credit files.</p>	<p>To provide you with the ability to request that a transaction be assessed with fresh merged credit for the borrower.</p>	<p>When requesting the Reorder Credit Service using merged credit, you will need to be aware of the following factors:</p> <ul style="list-style-type: none"> <li>• If you select a joint merged credit file for your borrowers and then change your request to use the Reorder Credit Service for a single merged credit file, the new credit will be reordered for each borrower.</li> <li>• MCRNs may not be used if you select the Reorder Credit Service option, and an error message will be returned if MCRNs are entered.</li> </ul> <p>When using the Reorder Credit Service with merged credit or credit infiles, here are some key factors to keep in mind:</p> <ul style="list-style-type: none"> <li>• The Reorder Credit Service can be selected for one or more borrower(s) per loan transaction.</li> <li>• If you request new credit in Loan Prospector, the original credit request will no longer be available.</li> <li>• You will continue to select the same type of credit (infiles or merged credit) for all borrowers on the same loan transaction, as you do currently.</li> <li>• The assessment expiration date messages can be found in the Loan Processing Information section of the Loan Prospector Full Feedback Certificate.</li> <li>• The Reorder Credit Service is available on the Request Services page.</li> <li>• The Reorder Credit Service is available for users through the Loan Prospector browser, system-to-system access method - <a href="#">version 4.2 (infiles only)</a> and <a href="#">version 4.2.01 (infiles and merged credit)</a>. Please check with your loan origination system vendor contact for availability.</li> </ul> <p><b>Reorder Credit Service Fees</b> - When you select the Reorder Credit Service option in Loan Prospector, you will incur a fee for each request of fresh credit in Loan Prospector, and the credit repositories will identify your inquiry on the borrower's credit report. If you select the Reorder Credit option using:</p> <ul style="list-style-type: none"> <li>• <b>Merged Credit:</b> You will need to check with your selected credit reporting companies (CRCs) for the price and applicability of their merged credit fees. The fees may vary, depending on which CRC is used, the number of borrowers selected, and whether a single or joint merged credit is indicated.</li> <li>• <b>Credit Infiles:</b> You will incur a \$4 fee.</li> </ul> <p>Please note: the repositories will identify all entities that view a borrower's credit data in Loan Prospector on the borrower's credit report.</p>

Changes in Loan Prospector	Why We're Making These Changes	Key Information
<b>New Field on Feedback Certificate to Help You Identify Loan Prospector Version</b>		
<p>Enhancing the Loan Prospector Feedback Certificate with a new field that provides you with your Loan Prospector version.</p>	<p>To assist you in determining which version of the Loan Prospector interface you are using.</p>	<p>Each Loan Prospector version offers different features and options. To ensure you have access to all that Loan Prospector has to offer, it's important that you're using the latest available version of Loan Prospector. Review an <a href="#">overview of the different Loan Prospector versions</a> and key features available in each version.</p> <p>To track the latest version of Loan Prospector offered by verified Loan Prospector loan origination system (LOS) vendors:</p> <ul style="list-style-type: none"> <li>Review our <a href="#">list of LOS vendors on LoanProspector.com</a>. You'll find a complete list of LOS vendors, as well as the Loan Prospector access method and version available in the products they offer.</li> <li>Contact your LOS vendor directly if they are not listed on LoanProspector.com to determine the timing and availability of their Loan Prospector interface.</li> </ul> <p>Loan Prospector version 4.2.01 will be available with our June 15 enhancements. In the future when enhancements are made to Loan Prospector, we will indicate which Loan Prospector version will be impacted.</p>
<b>Updating the Merged Credit Reference Number Functionality</b>		
<p>Changing MCRN functionality in Loan Prospector.</p>	<p>To ensure you are submitting the most recent MCRNs for any given borrower on a particular loan submission in Loan Prospector.</p>	<p>As of June 15, Loan Prospector will allow you to use MCRNs obtained only in the most recent previous complete submission for any given Loan Prospector AUS Key Number, for the same borrower for the same CRC.</p>