

Freddie Mac Securities Disclosure Enhancement: Property Valuation Method

In March 2020, Freddie Mac will enhance its single family Uniform Mortgage-Backed Securities (UMBS®), Mortgage-Backed Securities (MBS) and Mortgage Participation Certificates (PCs) disclosures to include a new attribute, “Property Valuation Method”, which indicates the method by which the value of the subject mortgaged property was obtained. This attribute will also identify loans that have received an appraisal waiver.

The new attribute will apply to all Freddie Mac single family securities – both fixed-rate and adjustable-rate -- with issue dates on or after June 1, 2017. For Supers™, Giant PCs® or Giant MBS™ issued on or after June 1, 2017 with collateral issued prior to that date, the applicable disclosures will indicate “Not Available”.

The Property Valuation Method attribute is being added to Freddie Mac’s:

- [Mortgage Securities website](#), under the Securities Data link
- Issuance and Monthly Loan-Level disclosure files (appended to the end of the file in position L-107)
- Issuance and Monthly Security Supplemental files as a new stratification (Record Type 44)

Disclosure Specifications

Draft Enumeration Definitions. Final definitions will be provided in the [Freddie Mac Disclosure Guide](#) prior to implementation.

- **Appraisal** - The property value was obtained through an appraisal that was completed by a licensed or certified appraiser.
- **Onsite Property Data Collection** – The property data was collected onsite by a licensed or certified appraiser or other third-party and validated through a proprietary automated valuation model (AVM). The condition of the property was physically assessed but the value was determined through a proprietary AVM.
- **GSE Targeted Refinance Programs** – The programs implemented by the Government Sponsored Enterprises (GSEs) for targeted refinance products. Includes loans refinanced by Freddie Mac under the Home Affordable Refinance Program® (HARP)®, Relief RefinanceSM and Enhanced Relief RefinanceSM and may be commingled with Fannie Mae HARP, Refi Plus and high loan-to-value (LTV) refinance loans.
- **Appraisal Waiver**– The appraisal requirement is waived per applicable *Selling Guide* or negotiated terms.
- **Other** - Any property valuation method not provided for within the other enumerations.
- **Not Available** - The Property Valuation Method is not available for disclosure. This will be the default value for pools and related loans issued prior to June 1, 2017
- **Not Applicable** - The Property Valuation Method is not applicable. This will be the default value for Modified fixed and step-rate pools.

Impacted Disclosure Files

The new disclosure will be added to the following files. The at-issuance files (labelled as “Daily Issuance” in the table below) will only include this attribute for securities with issue dates on or after March 1, 2020. The monthly Loan-Level and Security Supplemental files will include this new disclosure beginning with files published on or after March 1, 2020 for securities with issue dates on or after June 1, 2017.

File	File Name	Planned Implementation
Daily Issuance Loan Level File 1 (Fixed-Rate)*	fiYYMMDD	3/2/2020
Daily Issuance Security Supplemental File 1 (Fixed-Rate)*	wfYYMMDD	3/2/2020
Month-End Issuance Loan Level 1 (Fixed-Rate)	FRE_ILLD_YYYYMM	4/1/2020
Month-End Issuance Security Supplemental 1 (Fixed-Rate)	FRE_ISS_YYYYMM	4/1/2020
Monthly Loan Level File 1 (Fixed-Rate)	fuYYMMDD	3/5/2020
Monthly Security Supplemental File 1 (Fixed-Rate)	fqYYMMDD	3/5/2020
Daily Issuance Loan Level File 2 (ARMs, Mods, Reinstated)	aiYYMMDD	3/2/2020
Daily Issuance Security Supplemental File 2 (ARMs, Mods, Reinstated)	wgYYMMDD	3/2/2020
Monthly Loan Level File 2 (ARMs, Mods, Reinstated)	auYYMMDD	3/5/2020
Monthly Security Supplemental File 2 (ARMs, Mods, Reinstated)	geYYMMDD	3/5/2020

* Includes all intraday files

Loan Level File Format Specification

ID	Attribute Name	Attribute Definition	Enumerations	Data Type	Format	Max Length
L-107	Property Valuation Method	Indicates the method by which the value of the subject property was obtained.	A = Appraisal P = Onsite Property Data Collection R = GSE Targeted Refinance Programs W = Appraisal Waiver O = Other 9 = Not Available 7 = Not Applicable	String		1

Pool Level Stratification File Format Specification (Security Supplemental Files)

ID	Attribute Name	Attribute Definition	Enumerations	Data Type	Format	Max Length
SS-474	Record Type = 44	Property Valuation Method Stratification		String		2
SS-475	Prefix	The designation assigned by the issuer denoting the type of the loans and the security.		String		3

SS-476	Security Identifier	The unique designation assigned to the security by the issuer.		String		6
SS-477	CUSIP	The unique designation assigned to the security by the Committee on Uniform Securities Identification Procedures (CUSIP).		String		9
SS-478	Property Valuation Method	Indicates the method by which the value of the subject property was obtained.	A = Appraisal P = Onsite Property Data Collection R = GSE Targeted Refinance Programs W = Appraisal Waiver O = Other 9 = Not Available 7 = Not Applicable	String		1
SS-479	Aggregate Investor Loan UPB	For the stratified attribute, the sum of the Investor Loan UPB for the loans in the security.		Numeric	14.2	17
SS-480	Percentage Investor Loan UPB	For the stratified attribute, the percentage of the Investor Loan UPB for the loans in the security.		Numeric	3.2	6
SS-481	Aggregate Loan Count	For the stratified attribute, the total number of loans in the security.		Numeric		9
SS-482	Percentage Loan Count	For the stratified attribute, the percentage of loans in the security.		Numeric	3.2	6

Test Files

Test files are available on our [Single Security Technical Resources](#) site under the Level 1/Level 2 Additional Resources, and represent the format for the new disclosure. Disclosure values for the CUSIPs contained in the test files do not reflect current data and the Property Valuation Method values have been fabricated for testing purposes. The files are representative, but not all product types may be included. There is no correlation between the loan-level and security supplemental test files (different test securities). Additional test files will be provided in Q1 2020.

For questions, please contact the Freddie Mac Investor Inquiry line at 800-336-3672 or investor_inquiry@freddiemac.com.

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