

Loan Product Advisor®
Asset and Income Modeler



Run with it.



Getting More for Your Money

How to Maximize
Automated Asset,
Income and Employment
Assessments



The tools you need...



Loan Product Advisor[®] (LPASM) asset and income modeler (AIM) is a digital solution that provides a simpler way of assessing borrower assets, income and employment.

...to boost the bottom line

Originated loans, on average are \$1,500 less costly per loan than lenders with a lower usage of LPA digital solutions.

...to save money and work smarter

This document provides tips and guidance to optimize when to order verification reports. It also highlights common mistakes that may result in ordering reports that are unable to be processed or reduced opportunity to receive representation and warranty (R&W) relief.

Source: [2024 Cost to Originate Study](#)



Tip 1: Get More Out of Asset Reports

An asset verification report from an eligible service provider offers many possibilities to streamline underwriting and delight your borrower.

Leverage the Power of One – One asset report, many possibilities



Funds to Close

Reduce risk by identifying up front if your borrower has the necessary funds to close on the loan.



Income Verification

With direct deposit data, LPA's automated income assessment may save time and reduce associated fraud risk. Plus, it's hassle-free for your borrowers since they're not required to submit multiple pieces of paper documentation to verify income.



Access to Credit Expansion

Get access to the borrower's rent payment history and borrower cash flow assessment and see if they're potentially eligible for credit expansion through positive rent payment or positive monthly cash flow – may be helpful for those with a limited credit history.



Employment Verification

Verify the borrower's current employment and then receive R&W relief eligibility in the LPA feedback messaging. You can also use the report to automate the 10-day pre-closing verification (PCV) without chasing down documents and making phone calls. Avoid delays in waiting for information to get back to you.



Tip 1: Get More Out of Asset Reports (cont.)

Use these Best Practices to Save Time and Money

BEST PRACTICE	WHY IT'S IMPORTANT
Include All Asset Accounts	<p>Make sure to include as many asset accounts as you can. More assets mean more reserves, which can improve the outcome for the borrowers. Include accounts with asset balances, direct deposits and those used to pay bills and rent payments. This will allow AIM to assess as much income and assets as possible and provide positive benefit for rent payment history and borrower cash flow (when applicable).</p> <p>Did you know? AIM excludes large deposits in the assessment, eliminating the need for your borrower to provide additional documentation.</p>
Know If One Report is All You Need	<p>If borrowers have joint accounts, only one person needs to complete the asset report process.</p>
Change Account Password After Mortgage Closes	<p>If borrowers are concerned about security and want to change passwords before the mortgage closes, you may want to inform them that doing so is likely to require them to work with you to refresh the report data at a later point in the mortgage origination process.</p>
Automate Employment Verification	<p>Refreshing your asset report prior to close may provide an automated assessment to maximize opportunity for employment R&W relief eligibility or meet the 10-day PCV requirement for the borrower's current employment.</p>
Income Calculated from Direct Deposits	<p>Before ordering a payroll report or requesting additional documentation, check messages to see if LPA assessed wage or non-wage income from direct deposit income.</p> <p>Non-wage income: Pension, Social Security, VA Disability, Alimony, Child Support or Military</p> <p>Wage income: Base, bonus, overtime or commission</p>
Refresh Asset Report at Closing With Employment Data	<p>Work with your provider to understand the options to refresh your reports or obtain an employment-only verification report. See the Freddie Mac third-party service provider list for more information.</p>

Tip 2: Order the Right Income Report

Choosing the right income assessment for each borrower leads to: reduction in documents requested from borrower, greater opportunity for potential R&W relief; reduced waste (dollars spent for unassessed reports).

TYPE OF INCOME	SITUATION	USE THIS DIGITAL DATA
Self-Employed*	Schedule C Only.	Tax Transcript
	S-Corp, Partnership, Schedule C.	Tax Returns
Non-Wage	Pension, Social Security, VA Disability, Alimony, Child Support, or Military. Paid through Direct Deposit.	Asset Data
	Rental Income.	Tax Returns
Wage	Base, Bonus, Overtime or Commission. Paid through Direct Deposit.	Asset Data
	Add a paystub to help match employer to income and improve calculation accuracy.	Asset Data + Paystub
	Base, Bonus, Overtime, or Commission. Current job at least one year.	Payroll Data
	Have W-2/Paystub documents and OCR capabilities.	Digitized Paystub and W-2

Not enough
income

* See Guide [Section 5304.1](#) for definition. If the borrower is marked as self-employed, AIM will not assess wage income.

Tip 3: Not All Payroll Reports are Assessed by AIM

AIM won't assess income from payroll reports in certain scenarios, so make sure you plan accordingly!

Common Mistakes	Why AIM Won't Assess
Ordering Reports for Self-Employed Borrowers	AIM doesn't assess payroll reports for borrowers marked as self-employed. Reports can be used for documentation purposes.
Ordering Reports When the Borrower Has a Job Change in the Past 12 Months	AIM doesn't assess payroll reports if the borrower has been on the job for less than 12 months. Bank statements can be used to assess income in this case.
Ordering Reports for Government or Non-Conventional Loans	AIM will not digitally assess income for Federal Housing Administration (FHA) and Department of Veterans Affairs (VA) loans.
Using Service Providers Not Integrated with AIM	AIM currently assesses payroll reports for certain service providers listed with a checkmark in the Employment Data column.



Tip 4: Check Your Technology Integration

If there’s an issue with your technology integration, it may affect a large amount of loans. Make sure everything is flowing through your systems properly and that you’re submitting all the reports that you order to LPA.

Common Mistakes	Why AIM Won’t Assess
Report IDs Not Transferring from POS to LOS	Ensure that when you order the verification report in the point of sale (POS) that the report ID transfers to the loan origination system (LOS).
Entry of Incorrect Report ID	If you’re ordering a verification report outside of the LOS, make sure any manual data you may have to enter is correctly entered, especially the report ID.
Using the Wrong Report ID	If you’re ordering a verification report from a reseller, confirm that you’re passing the correct report ID and identifying the correct AIM service provider when submitting to LPA.
Ordering Duplicate Reports	Check your processes and make sure you’re not ordering duplicate reports. Refresh a report if needed, rather than starting over. If LPA didn’t find the report, there’s a technical issue – do not place the order again.



Tip 5: Follow the Feedback Messages

Make sure you have an Accept risk class on your loan before ordering payroll reports.

If you receive a Caution, check feedback messages for borrower cash flow and rent payment history opportunity, then order an asset report.

Check for eligibility of partial income R&W relief. Income R&W relief may be offered if there's enough income on the loan level. However, many loans may still be eligible for partial R&W relief without requiring W-2s and paystubs.

LPA may identify additional income on the loan that's not required to qualify – either document or remove the income.

Check feedback messages to ensure the loan file contains all necessary documentation.

Only collect the required documentation.

Are you asking for paystubs/W-2s and also ordering reports? If both items are in the loan file, there's potential for conflicting information and the underwriter will have to spend time reviewing and reconciling.

FreddieMac

Loan Product Advisor® Feedback Certificate

Assessment Summary

Details

BORROWER NAME

ALICE FREDDIE

NUMBER OF SUBMISSIONS

3

LP KEY NUMBER

AA373958

Affordable Product Information

AREA MEDIAN INCOME

\$63,100.00

AREA MEDIAN INCOME (%)

180.67%

Assessment Summary

PURCHASE ELIGIBILITY

✓ ELIGIBLE

RISK CLASS

✓ ACCEPT

Representation & Warranty Relief

COLLATERAL R&W RELIEF

✓ ELIGIBLE

INCOME R&W RELIEF

✓ ELIGIBLE

ASSET R&W RELIEF

✓ ELIGIBLE

Loan Details

BORROWER NAME

ALICE FREDDIE
990-80-0008

APPRAISAL IDENTIFIER

N/A

LENDER LOAN NUMBER

DV03 HP

MORTGAGE TYPE

Conventional

DOCUMENTATION LEVEL

Streamlined Accept

PROPERTY ADDRESS

442 EMERALD SHORE LN
HORIZON CITY, TX 79928

PROGRAM IDENTIFIER(S)

N/A

Loan-to-Value Ratios

LTV

79.75%

TLTV

79.75%

HTLTV

79.75%

Qualifying Ratios

PROPOSED HOUSING (PITI)

\$1,474.88

PRESENT HOUSING EXPENSE

\$0.00

TOTAL MONTHLY INCOME

\$9,500.00

TOTAL MONTHLY DEBT

\$1,474.88

MAX MORTGAGE LIMIT

\$766,550.00

HOUSING RATIO

16%

DEBT RATIO

16%

OCG (RANT) HOUSING RATIO

16%

OCCUPANT DEBT RATIO

16%

Credit Report Information

SELECTED BORROWER

ALICE FREDDIE

SELECTED REPOSITORY

TransUnion

INDICATOR SCORE

710

CREDIT REORDERED

CREDIT REACCESSED

BORROWER

ALICE FREDDIE

REPOSITORY AND CREDIT SCORE

Experian

703

TransUnion

710

Equifax

715

CREDIT REFERENCE

999999990800008

Resources to Help You Get More for Your Money

Understanding AIM

[Overview](#)

[Authorized Service Providers](#)

[AIM Capabilities and Eligibility Requirements](#)

[Recent announcements and releases](#)

Browse a Variety of Training Options

[LPA AIM Training Resources](#)

[AIM for Assets Job Aid](#)

[AIM for Income Using Employer Data Job Aid](#)

[AIM for Income Using Direct Deposit Information from Asset Reports](#)

[AIM for Self-Employed Income](#)

