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*American Financial Resources, Inc.*



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## **Attention: AFR Lending Partners**

### **Topics in this edition of The AFR 411 include:**

- **Fannie Mae Property Inspection Waiver Updates**
- **Freddie Mac Automated Collateral Evaluation Expansion**
- **HARP Extension**
- **Tax Service Fee**

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This 411 supersedes the current guidelines outlined in the applicable Program Matrices. All updated guidelines will be highlighted and the matrices will show a revised date once they have been modified.

### **Fannie Mae Updates to the Property Inspection Waiver**

AFR is pleased to announce that it has adopted the new Fannie Mae DU® enhancement that will allow Property Inspection Waivers ("PIWs") for purchase transactions. The enhancements will apply to DU Version 10.0 and DU Version 10.1 loan casefiles submitted or resubmitted on or after August 19, 2017. For a PIW to be considered on a purchase transaction, a prior appraisal must be found for the subject property in Fannie Mae's Collateral Underwriter® (CU™) data. DU will compare the address for the subject property address found in CU. When a match is found, DU will then use the information from the prior appraisal to determine if the loan casefile is eligible for the PIW.

The PIW will be considered on the purchase transactions that are: DU Approve/Eligible recommendations, One-unit properties, including condominiums, or Principal residence and second home transactions with LTV/CLTV ratios up to 80%.

To exercise the PIW, the lender must include the Fannie Mae casefile ID and SFC 801 in the loan delivery file to receive representation and warranty relief.

See the [Fannie Mae Desktop Underwriter Release Notes](#) for more information.

### **Freddie Mac Automated Collateral Evaluation Expansion**

Effective September 1, 2017, AFR will be adopting the Freddie Mac Automated Collateral Evaluation ("ACE") expansion to include purchase transactions for certain Loan Product Advisor® mortgages.

When submitting the loan to Loan Product Advisor, keep in mind, to maximum the ability to take advantage of ACE, provide an estimated value (in the estimated value of property field) or purchase price (in the purchase price field), not an appraised value when you submit the loan to Loan Product Advisor. These fields should not be confused with the appraised value of property field, which should only be used when an appraisal is obtained.

See the [Freddie Mac News Center](#) for more information.

### **HARP Extension**

At the direction of the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac will continue to offer the Home Affordable Refinance Program (HARP) through December 31, 2018. AFR will continue to offer both the FNMA DU Refi Plus and the FHLMC Relief Refinance Mortgage – Open Access programs.

### **Tax Service Fee**

Effective September 5<sup>th</sup> 2017, AFR will require all loans\* to have a tax service fee disclosed to the borrower as follows:

- Fannie Mae \$70
- Freddie Mac \$70
- FHA \$80

**\*Important:** Tax Service Fees are not permitted on loans with a subject property in the state of Maine and Iowa.