

Wednesday, June 5, 2024

Bulletin #2024-C-004

NOTICE TO CORRESPONDENT CUSTOMERS

Important Reminder Regarding LPA Estimated Property Values Procedure

FLC Bank would like to remind customers of Freddie Mac's new requirement we announced via FLC Bank Bulletin #2024-AC-010 on May 17, 2024, requiring Loan Originators/Lenders to have written procedures in place outlining the process when determining the estimated property value being entered in Loan Product Advisor (LPA) on Refinance transactions for the purposes of obtaining an ACE or ACE+PDR eligibility. Note: FLC Bank does not accept ACE+PDR option issued by LPA.

In order to comply with Freddie Mac's new requirement (Freddie Mac [Bulletin 2024-1](#)), effective with new loans submitted to FLC Bank on or after June 6, 2024, the following requirements will apply:

Correspondent customers exercising appraisal waivers (ACE) issued by LPA on refinance transactions will be required to provide the documentation used in their determination of the estimated value entered in LPA at the time LPA issued the appraisal waiver (at the beginning of the loan process). Acceptable documentation includes an AVM, or an online tool or website, or the use of the Borrower's estimated value.

The loan will be conditioned by the Correspondent Pre-Purchase team if the documentation is not provided at the time of the pre-purchase review submission.

Important Information: Correspondent Customers may be asked to provide FLC Bank a copy of their Estimated Property Value written procedure(s) during their semi-annual/annual certification process.

If you have any questions, please contact your [Account Executive or Client Relations Representative](#).