

ACE + PDR (Freddie Mac)



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Steps to follow when submitting ACE + PDR to Newrez:

- Different from ACE (appraisal waiver), ACE + PDR does require property data collection (PDC).
- LPA must issue messaging indicating the loan is eligible for ACE + PDR (message FPA0100) at which time, the Correspondent Client can order the property data collection report. The Correspondent Client remains responsible for confirming the transaction is not an ineligible transaction type. Refer to Newrez Guide **1J**.

Property And Appraisal Messages

CODE	MESSAGE
FPA0100	Loan is eligible for a property data report (ACE+ PDR). An interior and exterior property data report (PDR) is the minimum assessment required for sale to Freddie Mac.
FPA0072	726,200.00 is the maximum loan limit allowed for a 1-unit property located in JEFFERSON County, KY.
FPA0057	Address entered matched to: 4404 AMELIA CT, LOUISVILLE KY 40241 , Jefferson County. Please confirm accuracy.
FPA0153	Loan is eligible for collateral representation and warranty relief with a property data report (ACE+ PDR) through 07/29/2023. The submitted value estimate is accepted as the value of the subject property; therefore, an appraisal is not required and Seller will be relieved of representation and warranty related to value. The loan must be delivered with Investor Certificate Identifier (ICID) on

The property data collection (PDC) consists of a full interior and exterior inspection capturing data and images throughout the subject property. The property data collection must be completed by a trained and vetted property data collector and must adhere to Freddie Mac's Property Data Standard. The Correspondent Client remains responsible to ensure that the data collectors are vetted through an annual background check, professionally trained, and they possess the essential knowledge to competently complete the property data collection.

- The property data collection report is used to confirm property eligibility and must include a detailed description of the property, include a floor plan and significant photos including but not limited to front, rear and side views of the exterior, street scene, all interior rooms including finished and unfinished areas, interior and exterior of all significant outbuildings and any physical deterioration, improvements, amenities and any observed issues or external influences.
- Freddie Mac is developing and testing an application programming interface (API) that will provide feedback messaging to help lenders (Correspondent Clients) assess PDRs, make any necessary updates/changes and more conveniently submit them to Freddie Mac. Freddie Mac's API is not yet available and any updates will be communicated when made available by Freddie Mac.

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The ACE + PDR must be dated prior to closing.

- In certain situations, a review of the ACE + PDR may reveal the subject property is not eligible and an upgrade is required. These property characteristics would include:
 - Proposed building status (not eligible for upgrade to a hybrid appraisal)
 - 0 bedrooms and/or 0 bathrooms above grade
 - Gross living area above grade of less than 400 square feet
 - Mixed-use (for example, altered or modified specifically to support or facilitate any non-residential or income producing use).

HYBRID APPRAISALS

- If an ACE + PDR is no longer eligible, an upgrade can be made using a hybrid appraisal (Form 70H). With a hybrid appraisal, the appraiser can use the PDR that was completed by a trained property data collector. The hybrid appraisal must disclose the identity of the property data collector in the body of the report and the completed PDR must be included as an addendum. The appraiser conducting the valuation analysis must be permitted to contact the property data collector to verify any information in the PDR and to adjust that information, as necessary, to complete Hybrid appraisal (Form 70H).
- A hybrid appraisal can only be considered when an ACE + PDR was initially offered by LPA but was determined that an ACE + PDR was no longer eligible. **When submitting a loan with a hybrid appraisal, the Correspondent Client must also include a copy of the previous LPA submission to show the offer of ACE + PDR.**

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Helpful Hints

- The property data collection must represent that the property:
 - Does not have safety, soundness, or structural integrity issues.
 - Is not in C5 or C6 condition.
 - Is not Q6 quality.
 - Does not have significant items of incomplete construction or renovation; and
 - Meets Freddie Mac’s property eligible requirements (see Freddie Mac Selling Guide 5602.1)
- To make the above representations and warranties in the absence of an appraisal, the Correspondent Client must examine the descriptive information, floor plan and photo exhibits from the property data collection to determine whether the property meets all of the *Selling Guide* requirements.
- The PDR contains a data set that must be reviewed to determine if the subject property meets Freddie Mac’s eligibility requirements. The property data collector must also specify when the subject property has any required “repairs or alterations” or will require an “inspection” by a trained professional when the property data collector cannot make the determination if repairs are needed.
- For PDRs completed with required repairs or alterations, a Completion Report performed by a property data collector must be obtained, that verifies the repairs or alterations have been completed. The Completion Report must contain all the data points and certifications in the Completion Report data set ([Addendum C](#)) and the Completion Report certifications ([Addendum D](#)). The Completion Report must also include photos of the completed repairs or alterations.
- For PDRs completed with an inspection required to identify if repairs are needed, a licensed professional trained in the particular field of concern (for example but not limited to, a structural engineer, plumber, pest inspector) must perform the inspection of the property. The inspector must provide either:
 - A signed report that includes their license number stating the repair(s) is not required or
 - A signed report or invoice that includes their licensing number stating the repair(s) has been completed and the issue corrected.
- **The LPA offer of ACE + PDR cannot be more than 120 days old as of the Note date. The effective date of the property data collection must be dated prior to the date of the Note and the property data collection is only valid for 12 months from date of collection.**

Additional Resources:

[ACE + PDR FAQ](#)

[ACE + PDR Providers](#)

[ACE + PDR Job Aid](#)