

Chapter 5602: Collateral Representations and Warranties, Loan Collateral Advisor[®] and Automated Collateral Evaluation (ACE and ACE+ PDR)

5602.1: Collateral representations and warranties (02/04/25)

This section contains requirements related to:

- [Value warranty](#)
- [Condition warranty](#)
- [Marketability warranty](#)

In addition to all other representations and warranties specified in the Seller's Purchase Documents, the Seller makes the following representations and warranties:

(a) Value warranty

The Seller represents and warrants that the appraisal accurately reflects the market value of the Mortgaged Premises.

Note: See Section 5604.3 for information regarding requirements for Mortgages with Settlement Dates more than 120 days after the Note Date.

(b) Condition warranty

As of the Settlement Date, the Seller represents and warrants that the Mortgaged Premises is not in C5 or C6 condition. For property types not required to utilize the Uniform Appraisal Dataset condition ratings, the Seller represents that the subject property is in a condition consistent with condition ratings C1 through C4.

(c) Marketability warranty

As of the Settlement Date, the Seller represents and warrants that the Mortgaged Premises is acceptable to typical purchasers in the subject property's Market Area.

5602.1: Collateral representations and warranties (Future effective date 01/26/26)

Refer to Bulletin 2025-7, which announced the policy requirements for Uniform Appraisal Dataset (UAD) 3.6. Sellers may submit to the Uniform Collateral Data Portal® appraisal reports that use UAD 3.6 before the mandatory effective November 2, 2026 version of this section.

This section contains requirements related to:

- [Value warranty](#)
- [Condition warranty](#)
- [Marketability warranty](#)

In addition to all other representations and warranties specified in the Seller's Purchase Documents, the Seller makes the following representations and warranties:

(a) Value warranty

The Seller represents and warrants that the appraisal accurately reflects the market value of the Mortgaged Premises.

Note: See Section 5604.3 for information regarding requirements for Mortgages with Settlement Dates more than 120 days after the Note Date.

(b) Condition warranty

As of the Settlement Date, the Seller represents and warrants that the Mortgaged Premises is not in C5 or C6 condition. For property types not required to utilize the Uniform Appraisal Dataset condition ratings, the Seller represents that the subject property is in a condition consistent with condition ratings C1 through C4.

(c) Marketability warranty

As of the Settlement Date, the Seller represents and warrants that the Mortgaged Premises is acceptable to typical purchasers in the subject property's Market Area.

5602.1: Collateral representations and warranties (Future effective date 11/02/26)

This section contains requirements related to:

- [Value warranty](#)
- [Condition warranty](#)
- [Marketability warranty](#)

In addition to all other representations and warranties specified in the Seller's Purchase Documents, the Seller makes the following representations and warranties:

(a) Value warranty

The Seller represents and warrants that the appraisal accurately reflects the market value of the Mortgaged Premises.

Note: See Section 5604.3 for information regarding requirements for Mortgages with Settlement Dates more than 120 days after the Note Date.

(b) Condition warranty

As of the Settlement Date, the Seller represents and warrants that the Mortgaged Premises is not in C5 or C6 condition.

(c) Marketability warranty

As of the Settlement Date, the Seller represents and warrants that the Mortgaged Premises is acceptable to typical purchasers in the subject property's Market Area.

5602.2: Loan Collateral Advisor[®] (09/04/24)

This section contains requirements related to:

- [Loan Collateral Advisor® overview](#)
- [Eligible Mortgages](#)
- [Ineligible Mortgages](#)
- [Exemptions to appraisal underwriting](#)
- [Exceptions to Loan Collateral Advisor appraised value representation and warranty relief](#)

(a) Loan Collateral Advisor overview

For Mortgages with appraisals submitted to the Uniform Collateral Data Portal® (UCDP®) and assessed through Loan Collateral Advisor, Freddie Mac will not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller's selling representations and warranties related to the appraised value of the Mortgaged Premises, provided the requirements below are met.

(b) Eligible Mortgages

The following requirements must be met for Mortgages to be eligible for appraised value representation and warranty relief:

- The Mortgage must have a loan-to-value (LTV)/total TLTV (TLTV)/Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratio less than or equal to 95%
- The Mortgage must be secured by a 1-unit dwelling (including units in a Condominium Project or a Planned Unit Development (PUD))
- The Borrower must be an individual or a Living Trust
- The UCDP feedback message FRE4000 must be returned, indicating "This appraisal is eligible for representation and warranty relief for property value, pending an assessment of the loan".

Note: For Sellers using Loan Collateral Advisor, representation and warranty relief eligibility corresponds to an appraisal with a risk score of 2.5 or lower. Loan Collateral Advisor will also display an "eligible" indicator. Upon submission to Loan Product Advisor® and/or Loan Quality Advisor®, a corresponding representation and warranty relief message will also be provided in the Feedback Certificate.

- The final submission to Loan Selling Advisor® must indicate the representation and warranty relief status is "Y" or "Yes"

(c) Ineligible Mortgages

The following Mortgages are ineligible for appraised value representation and warranty relief:

- Mortgages secured by Manufactured Homes
- Mortgages secured by leasehold estates
- Mortgages secured by Mortgaged Premises subject to resale restrictions, excluding those subject to age-based resale restrictions
- Freddie Mac Enhanced Relief Refinance[®] Mortgages
- Community Land Trust Mortgages
- Cooperative Share Loans

(d) Exemptions to appraisal underwriting

For Mortgages that are eligible for appraised value representation and warranty relief as described above, the Seller/Servicer is not responsible for underwriting the appraisal to ensure compliance with the following requirements:

- Justification and support for the appraiser's opinion of market value and how the final value conclusion was determined. (See applicable language in Section 5605.7.)
- The validity of the appraiser's adjustments in the analysis of comparable sales. (See applicable language in Section 5605.6.)
- Whether the opinion of market value of the subject property is credible and adequately supported. (See applicable language in Section 5605.1.)

(e) Exceptions to Loan Collateral Advisor appraised value representation and warranty relief

Even if a Mortgage meets the eligibility requirements above, the Seller/Servicer remains responsible for compliance with the following requirements. Freddie Mac may still enforce remedies if these requirements are not met, even if such matters are related to appraised value:

- The Mortgaged Premises must meet Freddie Mac's property eligibility requirements (e.g., not vacant, or undeveloped land, not primarily used for agricultural or farming purposes or for a commercial enterprise, etc.). (See Sections 5601.1 and 5701.2 for additional details regarding property eligibility.)

- The Mortgaged Premises must not be subject to a pending legal proceeding for condemnation in whole or in part (see Section 5601.1)
- When applicable, Form 442, Appraisal Update and/or Completion Report, or Form 400, Warranty of Completion of Construction or Repairs/Alterations, must be obtained to verify that any outstanding conditions of the appraisal have been satisfied. (See Section 5605.8 for additional requirements on these forms.)
- The Seller must ensure the appraiser's description of the subject property must be complete and accurate (e.g., accuracy of quality and condition ratings, photographs that support the quality and condition of the property, etc.). (See applicable language for appraisal requirements in Chapter 5605.)

5602.2: Loan Collateral Advisor[®] (Future effective date 01/26/26)

Refer to Bulletin 2025-7, which announced the policy requirements for Uniform Appraisal Dataset (UAD) 3.6. Sellers may submit to the Uniform Collateral Data Portal[®] appraisal reports that use UAD 3.6 before the mandatory effective November 2, 2026 version of this section.

This section contains requirements related to:

- [Loan Collateral Advisor[®] overview](#)
- [Eligible Mortgages](#)
- [Ineligible Mortgages](#)
- [Exemptions to appraisal underwriting](#)
- [Exceptions to Loan Collateral Advisor appraised value representation and warranty relief](#)

(a) Loan Collateral Advisor overview

For Mortgages with appraisals submitted to the Uniform Collateral Data Portal[®] (UCDP[®]) and assessed through Loan Collateral Advisor, Freddie Mac will not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller's selling representations and warranties related to the appraised value of the Mortgaged Premises, provided the requirements below are met.

(b) Eligible Mortgages

The following requirements must be met for Mortgages to be eligible for appraised value representation and warranty relief:

- The Mortgage must have a loan-to-value (LTV)/total TLTV (TLTV)/Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratio less than or equal to 95%
- The Mortgage must be secured by a 1-unit dwelling (including units in a Condominium Project or a Planned Unit Development (PUD))
- The Borrower must be an individual or a Living Trust
- The UCDP feedback message FRE4000 must be returned, indicating “This appraisal is eligible for representation and warranty relief for property value, pending an assessment of the loan”.

Note: For Sellers using Loan Collateral Advisor, representation and warranty relief eligibility corresponds to an appraisal with a risk score of 2.5 or lower. Loan Collateral Advisor will also display an “eligible” indicator. Upon submission to Loan Product Advisor® and/or Loan Quality Advisor®, a corresponding representation and warranty relief message will also be provided in the Feedback Certificate.

- The final submission to Loan Selling Advisor® must indicate the representation and warranty relief status is “Y” or “Yes”

(c) Ineligible Mortgages

The following Mortgages are ineligible for appraised value representation and warranty relief:

- Mortgages secured by Manufactured Homes
- Mortgages secured by leasehold estates
- Mortgages secured by Mortgaged Premises subject to resale restrictions, excluding those subject to age-based resale restrictions
- Freddie Mac Enhanced Relief Refinance® Mortgages
- Community Land Trust Mortgages
- Cooperative Share Loans

(d) Exemptions to appraisal underwriting

For Mortgages that are eligible for appraised value representation and warranty relief as described above, the Seller/Servicer is not responsible for underwriting the appraisal to ensure compliance with the following requirements:

- Justification and support for the appraiser's opinion of market value and how the final value conclusion was determined. (See applicable language in Section 5605.7.)
- The validity of the appraiser's adjustments in the analysis of comparable sales. (See applicable language in Section 5605.6.)
- Whether the opinion of market value of the subject property is credible and adequately supported. (See applicable language in Section 5605.1.)

(e) Exceptions to Loan Collateral Advisor appraised value representation and warranty relief

Even if a Mortgage meets the eligibility requirements above, the Seller/Servicer remains responsible for compliance with the following requirements. Freddie Mac may still enforce remedies if these requirements are not met, even if such matters are related to appraised value:

- The Mortgaged Premises must meet Freddie Mac's property eligibility requirements (e.g., not vacant, or undeveloped land, not primarily used for agricultural or farming purposes or for a commercial enterprise, etc.). (See Sections 5601.1 and 5701.2 for additional details regarding property eligibility.)
- The Mortgaged Premises must not be subject to a pending legal proceeding for condemnation in whole or in part (see Section 5601.1)
- When applicable, Form 442, Appraisal Update and/or Completion Report, or Form 400, Warranty of Completion of Construction or Repairs/Alterations, must be obtained to verify that any outstanding conditions of the appraisal have been satisfied. (See Section 5605.8 for additional requirements on these forms.)
- The Seller must ensure the appraiser's description of the subject property must be complete and accurate (e.g., accuracy of quality and condition ratings, photographs that support the quality and condition of the property, etc.). (See applicable language for appraisal requirements in Chapter 5605.)

5602.2: Loan Collateral Advisor[®] (Future effective date 11/02/26)

This section contains requirements related to:

- [Loan Collateral Advisor® overview](#)
- [Eligible Mortgages](#)
- [Ineligible Mortgages](#)
- [Exemptions to appraisal underwriting](#)
- [Exceptions to Loan Collateral Advisor appraised value representation and warranty relief](#)

(a) Loan Collateral Advisor overview

For Mortgages with appraisal reports submitted to the Uniform Collateral Data Portal® (UCDP®) and assessed through Loan Collateral Advisor, Freddie Mac will not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller's selling representations and warranties related to the appraised value of the Mortgaged Premises, provided the requirements below are met.

(b) Eligible Mortgages

The following requirements must be met for Mortgages to be eligible for appraised value representation and warranty relief:

- The Mortgage must have a loan-to-value (LTV)/total TLTV (TLTV)/Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratio less than or equal to 95%
- The Mortgage must be secured by a 1-unit dwelling (including units in a Condominium Project or a Planned Unit Development (PUD))
- The Borrower must be an individual or a Living Trust
- The UCDP feedback message FRE4000 must be returned, indicating "This appraisal is eligible for representation and warranty relief for property value, pending an assessment of the loan".

Note: For Sellers using Loan Collateral Advisor, representation and warranty relief eligibility corresponds to an appraisal with a risk score of 2.5 or lower. Loan Collateral Advisor will also display an "eligible" indicator. Upon submission to Loan Product Advisor® and/or Loan Quality Advisor®, a corresponding representation and warranty relief message will also be provided in the Feedback Certificate.

- The final submission to Loan Selling Advisor® must indicate the representation and warranty relief status is "Y" or "Yes"

(c) Ineligible Mortgages

The following Mortgages are ineligible for appraised value representation and warranty relief:

- Mortgages secured by Manufactured Homes
- Mortgages secured by leasehold estates
- Mortgages secured by Mortgaged Premises subject to resale restrictions, excluding those subject to age-based resale restrictions
- Freddie Mac Enhanced Relief Refinance[®] Mortgages
- Community Land Trust Mortgages
- Cooperative Share Loans

(d) Exemptions to appraisal underwriting

For Mortgages that are eligible for appraised value representation and warranty relief as described above, the Seller/Servicer is not responsible for underwriting the appraisal to ensure compliance with the following requirements:

- Justification and support for the appraiser's opinion of market value and how the final value conclusion was determined. (See applicable language in Section 5605.8.)
- The validity of the appraiser's adjustments in the analysis of comparable sales. (See applicable language in Section 5605.7.)
- Whether the opinion of market value of the subject property is credible and adequately supported. (See applicable language in Section 5605.1.)

(e) Exceptions to Loan Collateral Advisor appraised value representation and warranty relief

Even if a Mortgage meets the eligibility requirements above, the Seller/Servicer remains responsible for compliance with the following requirements. Freddie Mac may still enforce remedies if these requirements are not met, even if such matters are related to appraised value:

- The Mortgaged Premises must meet Freddie Mac's property eligibility requirements (e.g., not vacant, or undeveloped land, not primarily used for agricultural or farming purposes or for a commercial enterprise, etc.). (See Sections 5601.1 and 5701.2 for additional details regarding property eligibility.)

- The Mortgaged Premises must not be subject to a pending legal proceeding for condemnation in whole or in part (see Section 5601.1)
- When applicable, a UAD Completion Report or Form 400, Warranty of Completion of Construction or Repairs/Alterations, must be obtained to verify that any outstanding conditions of the appraisal have been satisfied. (See Section 5605.9 for additional requirements related to the use of these reports.)
- The Seller must ensure the appraiser's description of the subject property must be complete and accurate (e.g., accuracy of quality and condition ratings, photographs that support the quality and condition of the property, etc.). (See applicable language for appraisal requirements in Chapter 5605.)

5602.3: Automated collateral evaluation (ACE) – appraisal waiver (02/24/25)

This section contains requirements related to:

- [Automated collateral evaluation \(ACE\) overview](#)
- [Process for qualifying for and accepting the appraisal waiver offer](#)
- [Eligible Mortgages](#)
- [Ineligible Mortgages](#)
- [Conditions that prevent the Seller from accepting an appraisal waiver offer](#)
- [Acceptable age of the appraisal waiver offer](#)
- [Data changes that impact appraisal waiver eligibility](#)
- [Appraisal waiver requirements for Settlement Dates more than 120 days after the Note Date](#)
- [Appraisal waiver eligibility in disaster areas](#)
- [Seller representation of property review or valuation](#)

(a) ACE overview

For certain Loan Product Advisor® Mortgages, the Seller may receive the option to accept an appraisal waiver and originate the Mortgage without an appraisal.

If the Seller accepts the appraisal waiver option, Freddie Mac will:

- Accept the value of the Mortgaged Premises as:
 - The purchase price of the Mortgaged Premises, for purchase transactions, or
 - The estimated value of the Mortgaged Premises, for refinance transactions
- Not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller's selling representations and warranties related to the value, condition and marketability of the Mortgaged Premises

For refinance transactions, the Sellers must have written procedures in place that prohibit changes to the estimated value in Loan Product Advisor for the purpose of obtaining an appraisal waiver or more favorable mortgage terms (e.g., avoiding mortgage insurance).

The procedures must include a process for establishing the estimated value, which may include, but is not limited to, the using of the Borrower's estimated value, an Automated Valuation Model (AVM) or an online valuation tool or website.

(b) Process for qualifying for and accepting the appraisal waiver offer

For a Mortgage to qualify for an appraisal waiver:

- The Mortgage must be an Accept Mortgage
- The Last Feedback Certificate must indicate the Mortgage is eligible for representation and warranty relief with an appraisal waiver. (This represents the "offer.")
- The final submission of the Mortgage to Loan Selling Advisor[®] must indicate the representation and warranty relief status is "Y" or "Yes"

In lieu of accepting the appraisal waiver offer, the Seller may deliver the Mortgage with a PDR or an appraisal report if the eligibility requirements for ACE+ PDR or the selected appraisal type are met

To accept the appraisal waiver offer, the Seller must deliver the Mortgage with the ULDD Data Points described in the data delivery instructions in Section 6302.10(c).

(c) Eligible Mortgages

To be eligible for an appraisal waiver offer, the Mortgage must:

- Be secured by a 1-unit dwelling that is either a Primary Residence or a second home
- Meet the following occupancy and maximum loan-to-value (LTV)/total LTV (TLTV) ratio requirements:

Mortgage purpose	Occupancy type	Maximum LTV/TLTV ratios
Purchase	Primary Residence or second home	90%
“No cash-out” refinance	Primary Residence or second home	90%
Cash-out refinance	Primary Residence	70%
	Second home	60%

(d) Ineligible Mortgages

The following Mortgages are ineligible for an appraisal waiver:

- Mortgages for which an appraisal or a PDR has been obtained in connection with the Mortgage
- Mortgages secured by one of the following:
 - ❑ A Manufactured Home, or
 - ❑ A leasehold estate
- Mortgages secured by Mortgaged Premises subject to resale restrictions (excluding those subject to age-based resale restrictions)
- Mortgages secured by a property acquired in a Non-arm’s Length Transaction
- Mortgages secured by a property where the property owner at the time of sale (i.e., the property seller) is a lender or a government entity
- Mortgages with an estimate of value or purchase price greater than \$1,000,000
- CHOICERenovation® Mortgages
- Community Land Trust Mortgages
- Construction Conversion Mortgages
- Cooperative Share Loans
- Freddie Mac Enhanced Relief Refinance® Mortgages

- GreenCHOICE Mortgages®
- Renovation Mortgages
- Seller-Owned Modified Mortgages that are Home Possible® Mortgages
- Texas Equity Section 50(a)(6) and Texas Section 50(f)(2) Mortgages

(e) Conditions that prevent the Seller from accepting an appraisal waiver offer

Sellers may not accept the appraisal waiver offer if:

- An appraisal is required by law or regulation
- Rental income from an ADU on a subject 1-unit Primary Residence is used to qualify the Borrower
- The Seller is aware of conditions that warrant a PDR or an appraisal being obtained. Examples include, but are not limited to:
 - ❑ A contaminated site or hazardous substance that affects the property or the Neighborhood in which the property is located
 - ❑ Adverse physical property conditions that are apparent based on a review of the sales contract, property inspection, disclosure from the Borrower, etc. The Seller may accept an appraisal waiver offer if the adverse physical property condition(s) is minor (e.g., minor cracks in windows, damaged or missing trim), and the subject property condition meets Freddie Mac's property eligibility requirements. If the adverse physical property condition(s) is not minor (e.g., active roof leaks, damaged or failing foundation), a PDR or an appraisal is required.

(f) Acceptable age of the appraisal waiver offer

The appraisal waiver offer provided through the Loan Product Advisor Feedback Certificate message is valid for 120 days. If the offer is more than 120 days old on the Note Date, resubmission to Loan Product Advisor is required to determine ongoing appraisal waiver eligibility.

(g) Data changes that impact appraisal waiver eligibility

If the Seller changes loan data (e.g., address of the property, loan amount, purchase price, estimate of value, loan type, property type, occupancy of the property, etc.) in a subsequent submission, the original offer will become invalid, and Loan Product Advisor may provide a different appraisal waiver eligibility determination.

(h) Appraisal waiver requirements for Settlement Dates more than 120 days after the Note Date

If the Settlement Date is more than 120 days after the Note Date, the Seller must warrant that the value of the subject property as of the Settlement Date is no less than the estimated value or sales price submitted to Loan Product Advisor.

(i) Appraisal waiver eligibility in disaster areas

Sellers may accept an appraisal waiver offer for properties located in disaster areas if the Seller can represent and warrant that the value and marketability of the Mortgaged Premises has not been adversely impacted. See Section 4407.1 for property condition requirements.

(j) Seller representation of property review or valuation

A Seller that has accepted an appraisal waiver offer must not make any representation that Freddie Mac has performed a property review or obtained a valuation of the Mortgaged Premises.

5602.4: ACE+ PDR (06/04/25)

This section contains requirements related to:

- [ACE+ PDR overview](#)
- [Process for qualifying for and accepting the ACE+ PDR offer](#)
- [Eligible Mortgages](#)
- [Ineligible Mortgages](#)
- [Conditions that prevent the Seller from accepting the ACE+ PDR offer](#)
- [Acceptable age of the ACE+ PDR offer](#)
- [Data changes that impact ACE+ PDR eligibility](#)
- [ACE+ PDR requirements for Settlement Dates more than 120 days after the Note Date](#)
- [ACE+ PDR eligibility in disaster areas](#)
- [Seller representation of property review or valuation](#)
- [ACE+ PDR additional requirements](#)

- [Beyond ACE application programming interface \(bACE API\) submission requirement](#)

(a) ACE+ PDR overview

For certain Loan Product Advisor[®] Mortgages, the Seller may receive the option to accept ACE+ PDR and originate the Mortgage with a PDR.

If the Seller accepts the ACE+ PDR option, Freddie Mac will:

- Accept as the value of the Mortgaged Premises:
 - ❑ The purchase price of the Mortgaged Premises, for purchase transactions, or
 - ❑ The estimated value of the Mortgaged Premises, for refinance transactions
- Not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller's selling representations and warranties related to the value of the Mortgaged Premises

For refinance transactions, the Sellers must have written procedures in place that prohibit changes to the estimated value in Loan Product Advisor for the purpose of obtaining ACE+ PDR or more favorable mortgage terms (e.g., avoiding mortgage insurance).

The procedures must include a process for establishing the estimated value, which may include, but is not limited to, the use of the Borrower's estimated value, an Automated Valuation Model (AVM) or an online valuation tool or website.

(b) Process for qualifying for and accepting the ACE+ PDR offer

For a Mortgage to qualify for ACE+ PDR:

- The Mortgage must be an Accept Mortgage
- The Last Feedback Certificate must indicate the Mortgage is eligible for representation and warranty relief with ACE or ACE+ PDR. (This represents the "offer.")
- The final submission of the Mortgage to Loan Selling Advisor[®] must indicate the representation and warranty relief status is "Y" or "Yes"

In lieu of accepting the ACE+ PDR offer, the Seller may deliver the Mortgage with an appraisal report if the eligibility requirements for the selected appraisal type are met

For Mortgages that receive an ACE+ PDR offer, to accept the ACE+ PDR offer, the Seller must deliver the Mortgage with the ULDD Data Points identified in the data delivery instructions in Section 6302.10(c).

(c) Eligible Mortgages

To be eligible for an ACE+ PDR offer, the Mortgage must:

- Be secured by a 1-unit dwelling that is either a Primary Residence or a second home
- Meet the following occupancy and maximum loan-to-value (LTV)/total LTV (TLTV) ratio requirements:

Mortgage purpose	Occupancy type	Maximum LTV/TLTV ratios
Purchase	Primary Residence or second home	Program limits*
“No cash-out” refinance	Primary Residence or second home	90%
Cash-out refinance	Primary Residence	70%
	Second home	60%

*A TLTV ratio up to program limits for the associated Mortgage product

(d) Ineligible Mortgages

The following Mortgages are ineligible for ACE+ PDR:

- Mortgages for which an appraisal has been obtained in connection with the Mortgage
- Mortgages secured by one of the following:
 - ❑ A Manufactured Home, or
 - ❑ A leasehold estate
- Mortgages secured by Mortgaged Premises subject to resale restrictions, excluding those subject to age-based resale restrictions
- Mortgages secured by a property acquired in a Non-arm’s Length Transaction
- Mortgages secured by a property where the property owner at the time of sale (i.e., the property seller) is a lender or government entity
- Mortgages with an estimate of value or purchase price greater than \$1,000,000
- CHOICERenovation® Mortgages

- Community Land Trust Mortgages
- Construction Conversion Mortgages
- Cooperative Share Loans
- Freddie Mac Enhanced Relief Refinance[®] Mortgages
- GreenCHOICE Mortgages[®]
- Renovation Mortgages
- Seller-Owned Modified Mortgages that are Home Possible[®] Mortgages
- Texas Equity Section 50(a)(6) and Texas Section 50(f)(2) Mortgages

(e) Conditions that prevent the Seller from accepting the ACE+ PDR offer

Sellers may not accept the ACE+ PDR offer if:

- An appraisal is required by law or regulation
- Rental income from an ADU on a subject 1-unit Primary Residence is used to qualify the Borrower

(f) Acceptable age of the ACE+ PDR offer

The ACE+ PDR offer provided through the Loan Product Advisor Feedback Certificate message is valid for 120 days. If the offer is more than 120 days old on the Note Date, resubmission to Loan Product Advisor is required to determine ongoing ACE+ PDR eligibility.

(g) Data changes that impact ACE+ PDR eligibility

If the Seller changes loan data (e.g., address of the property, loan amount, purchase price, estimate of value, loan type, property type, occupancy of the property, etc.) in a subsequent submission, the original offer will become invalid, and Loan Product Advisor may provide a different eligibility determination.

(h) ACE+ PDR requirements for Settlement Dates more than 120 days after the Note Date

If the Settlement Date is more than 120 days after the Note Date, the Seller must warrant that the value of the subject property as of the Settlement Date is no less than the estimated value submitted to Loan Product Advisor.

(i) ACE+ PDR eligibility in disaster areas

If the Mortgaged Premises is located in a disaster area, the Seller may accept an ACE+ PDR offer if the Seller can represent and warrant that the value and marketability of the Mortgaged Premises has not been adversely impacted. See Section 4407.1 for property condition requirements.

(j) Seller representation of property review or valuation

A Seller that has accepted an ACE+ PDR offer must not make any representation that Freddie Mac has performed a property review or obtained a valuation of the Mortgaged Premises.

(k) ACE+ PDR additional requirements

Each Mortgage delivered with a PDR must retain the PDR in the Mortgage file and also comply with the additional requirements below:

Additional PDR requirements	
Requirement type	Section reference
Qualification and requirements for the property data collector and Seller oversight	Section 5603.6
Exhibits for PDRs	Section 5604.2(h)
Age of the PDR	Section 5604.3(c)
PDRs with required repairs and/or inspections	Section 5605.8
ACE+ PDR upgrade to appraisal requirements	Section 5604.1(d)

(l) bACE API submission requirement

The PDR must be submitted to the [bACE API](#).

5602.4: ACE+ PDR (Future effective date 01/26/26)

Refer to Bulletin 2025-7, which announced the policy requirements for Uniform Appraisal Dataset (UAD) 3.6. Sellers may begin delivering UAD 3.6-compliant appraisals prior to the mandatory effective November 2, 2026 version of this section.

This section contains requirements related to:

- [ACE+ PDR overview](#)
- [Process for qualifying for and accepting the ACE+ PDR offer](#)
- [Eligible Mortgages](#)
- [Ineligible Mortgages](#)
- [Conditions that prevent the Seller from accepting the ACE+ PDR offer](#)
- [Acceptable age of the ACE+ PDR offer](#)
- [Data changes that impact ACE+ PDR eligibility](#)
- [ACE+ PDR requirements for Settlement Dates more than 120 days after the Note Date](#)
- [ACE+ PDR eligibility in disaster areas](#)
- [Seller representation of property review or valuation](#)
- [ACE+ PDR additional requirements](#)
- [Beyond ACE application programming interface \(bACE API\) submission requirement](#)

(a) ACE+ PDR overview

For certain Loan Product Advisor[®] Mortgages, the Seller may receive the option to accept ACE+ PDR and originate the Mortgage with a PDR.

If the Seller accepts the ACE+ PDR option, Freddie Mac will:

- Accept as the value of the Mortgaged Premises:
 - ❑ The purchase price of the Mortgaged Premises, for purchase transactions, or
 - ❑ The estimated value of the Mortgaged Premises, for refinance transactions

- Not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller’s selling representations and warranties related to the value of the Mortgaged Premises

For refinance transactions, the Sellers must have written procedures in place that prohibit changes to the estimated value in Loan Product Advisor for the purpose of obtaining ACE+ PDR or more favorable mortgage terms (e.g., avoiding mortgage insurance).

The procedures must include a process for establishing the estimated value, which may include, but is not limited to, the use of the Borrower’s estimated value, an Automated Valuation Model (AVM) or an online valuation tool or website.

(b) Process for qualifying for and accepting the ACE+ PDR offer

For a Mortgage to qualify for ACE+ PDR:

- The Mortgage must be an Accept Mortgage
- The Last Feedback Certificate must indicate the Mortgage is eligible for representation and warranty relief with ACE or ACE+ PDR. (This represents the “offer.”)
- The final submission of the Mortgage to Loan Selling Advisor[®] must indicate the representation and warranty relief status is “Y” or “Yes”

In lieu of accepting the ACE+ PDR offer, the Seller may deliver the Mortgage with an appraisal report if the eligibility requirements for the selected appraisal type are met

For Mortgages that receive an ACE+ PDR offer, to accept the ACE+ PDR offer, the Seller must deliver the Mortgage with the ULDD Data Points identified in the data delivery instructions in Section 6302.10(c).

(c) Eligible Mortgages

To be eligible for an ACE+ PDR offer, the Mortgage must:

- Be secured by a 1-unit dwelling that is either a Primary Residence or a second home
- Meet the following occupancy and maximum loan-to-value (LTV)/total LTV (TLTV) ratio requirements:

Mortgage purpose	Occupancy type	Maximum LTV/TLTV ratios
Purchase	Primary Residence or second home	Program limits*

Mortgage purpose	Occupancy type	Maximum LTV/TLTV ratios
“No cash-out” refinance	Primary Residence or second home	90%
Cash-out refinance	Primary Residence	70%
	Second home	60%

*A TLTV ratio up to program limits for the associated Mortgage product

(d) Ineligible Mortgages

The following Mortgages are ineligible for ACE+ PDR:

- Mortgages for which an appraisal has been obtained in connection with the Mortgage
- Mortgages secured by one of the following:
 - ❑ A Manufactured Home, or
 - ❑ A leasehold estate
- Mortgages secured by Mortgaged Premises subject to resale restrictions, excluding those subject to age-based resale restrictions
- Mortgages secured by a property acquired in a Non-arm’s Length Transaction
- Mortgages secured by a property where the property owner at the time of sale (i.e., the property seller) is a lender or government entity
- Mortgages with an estimate of value or purchase price greater than \$1,000,000
- CHOICERenovation® Mortgages
- Community Land Trust Mortgages
- Construction Conversion Mortgages
- Cooperative Share Loans
- Freddie Mac Enhanced Relief Refinance® Mortgages
- GreenCHOICE Mortgages®
- Renovation Mortgages

- Seller-Owned Modified Mortgages that are Home Possible® Mortgages
- Texas Equity Section 50(a)(6) and Texas Section 50(f)(2) Mortgages

(e) Conditions that prevent the Seller from accepting the ACE+ PDR offer

Sellers may not accept the ACE+ PDR offer if:

- An appraisal is required by law or regulation
- Rental income from an ADU on a subject 1-unit Primary Residence is used to qualify the Borrower

(f) Acceptable age of the ACE+ PDR offer

The ACE+ PDR offer provided through the Loan Product Advisor Feedback Certificate message is valid for 120 days. If the offer is more than 120 days old on the Note Date, resubmission to Loan Product Advisor is required to determine ongoing ACE+ PDR eligibility.

(g) Data changes that impact ACE+ PDR eligibility

If the Seller changes loan data (e.g., address of the property, loan amount, purchase price, estimate of value, loan type, property type, occupancy of the property, etc.) in a subsequent submission, the original offer will become invalid, and Loan Product Advisor may provide a different eligibility determination.

(h) ACE+ PDR requirements for Settlement Dates more than 120 days after the Note Date

If the Settlement Date is more than 120 days after the Note Date, the Seller must warrant that the value of the subject property as of the Settlement Date is no less than the estimated value submitted to Loan Product Advisor.

(i) ACE+ PDR eligibility in disaster areas

If the Mortgaged Premises is located in a disaster area, the Seller may accept an ACE+ PDR offer if the Seller can represent and warrant that the value and marketability of the Mortgaged Premises has not been adversely impacted. See Section 4407.1 for property condition requirements.

(j) Seller representation of property review or valuation

A Seller that has accepted an ACE+ PDR offer must not make any representation that Freddie Mac has performed a property review or obtained a valuation of the Mortgaged Premises.

(k) ACE+ PDR additional requirements

Each Mortgage delivered with a PDR must retain the PDR in the Mortgage file and also comply with the additional requirements below:

Additional PDR requirements	
Requirement type	Section reference
Qualification and requirements for the property data collector and Seller oversight	Section 5603.6
Exhibits for PDRs	Section 5604.2(h)
Age of the PDR	Section 5604.3(c)
PDRs with required repairs and/or inspections	Section 5605.8
ACE+ PDR upgrade to appraisal requirements	Section 5604.1(d)

(l) bACE API submission requirement

The PDR must be submitted to the [bACE API](#).

5602.4: ACE+ PDR (Future effective date 11/02/26)

This section contains requirements related to:

- [ACE+ PDR overview](#)
- [Process for qualifying for and accepting the ACE+ PDR offer](#)
- [Eligible Mortgages](#)
- [Ineligible Mortgages](#)
- [Conditions that prevent the Seller from accepting the ACE+ PDR offer](#)
- [Acceptable age of the ACE+ PDR offer](#)
- [Data changes that impact ACE+ PDR eligibility](#)
- [ACE+ PDR requirements for Settlement Dates more than 120 days after the Note Date](#)
- [ACE+ PDR eligibility in disaster areas](#)
- [Seller representation of property review or valuation](#)
- [ACE+ PDR additional requirements](#)
- [Beyond ACE application programming interface \(bACE API\) submission requirement](#)

(a) ACE+ PDR overview

For certain Loan Product Advisor[®] Mortgages, the Seller may receive the option to accept ACE+ PDR and originate the Mortgage with a PDR.

If the Seller accepts the ACE+ PDR option, Freddie Mac will:

- Accept as the value of the Mortgaged Premises:
 - ❑ The purchase price of the Mortgaged Premises, for purchase transactions, or
 - ❑ The estimated value of the Mortgaged Premises, for refinance transactions
- Not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller's selling representations and warranties related to the value of the Mortgaged Premises

For refinance transactions, the Sellers must have written procedures in place that prohibit changes to the estimated value in Loan Product Advisor for the purpose of obtaining ACE+ PDR or more favorable mortgage terms (e.g., avoiding mortgage insurance).

The procedures must include a process for establishing the estimated value, which may include, but is not limited to, the use of the Borrower's estimated value, an Automated Valuation Model (AVM) or an online valuation tool or website.

(b) Process for qualifying for and accepting the ACE+ PDR offer

For a Mortgage to qualify for ACE+ PDR:

- The Mortgage must be an Accept Mortgage
- The Last Feedback Certificate must indicate the Mortgage is eligible for representation and warranty relief with ACE or ACE+ PDR. (This represents the “offer.”)
- The final submission of the Mortgage to Loan Selling Advisor[®] must indicate the representation and warranty relief status is “Y” or “Yes”

In lieu of accepting the ACE+ PDR offer, the Seller may deliver the Mortgage with an appraisal report if the eligibility requirements for the selected appraisal type are met

For Mortgages that receive an ACE+ PDR offer, to accept the ACE+ PDR offer, the Seller must deliver the Mortgage with the ULDD Data Points identified in the data delivery instructions in Section 6302.10(c).

(c) Eligible Mortgages

To be eligible for an ACE+ PDR offer, the Mortgage must:

- Be secured by a 1-unit dwelling that is either a Primary Residence or a second home
- Meet the following occupancy and maximum loan-to-value (LTV)/total LTV (TLTV) ratio requirements:

Mortgage purpose	Occupancy type	Maximum LTV/TLTV ratios
Purchase	Primary Residence or second home	Program limits*
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*A TLTV ratio up to program limits for the associated Mortgage product

(d) Ineligible Mortgages

The following Mortgages are ineligible for ACE+ PDR:

- Mortgages for which an appraisal has been obtained in connection with the Mortgage
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 - ❑ A Manufactured Home, or
 - ❑ A leasehold estate
- Mortgages secured by Mortgaged Premises subject to resale restrictions, excluding those subject to age-based resale restrictions
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- Renovation Mortgages
- Seller-Owned Modified Mortgages that are Home Possible® Mortgages
- Texas Equity Section 50(a)(6) and Texas Section 50(f)(2) Mortgages

(e) Conditions that prevent the Seller from accepting the ACE+ PDR offer

Sellers may not accept the ACE+ PDR offer if:

- An appraisal is required by law or regulation

- Rental income from an ADU on a subject 1-unit Primary Residence is used to qualify the Borrower

(f) Acceptable age of the ACE+ PDR offer

The ACE+ PDR offer provided through the Loan Product Advisor Feedback Certificate message is valid for 120 days. If the offer is more than 120 days old on the Note Date, resubmission to Loan Product Advisor is required to determine ongoing ACE+ PDR eligibility.

(g) Data changes that impact ACE+ PDR eligibility

If the Seller changes loan data (e.g., address of the property, loan amount, purchase price, estimate of value, loan type, property type, occupancy of the property, etc.) in a subsequent submission, the original offer will become invalid, and Loan Product Advisor may provide a different eligibility determination.

(h) ACE+ PDR requirements for Settlement Dates more than 120 days after the Note Date

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If the Mortgaged Premises is located in a disaster area, the Seller may accept an ACE+ PDR offer if the Seller can represent and warrant that the value and marketability of the Mortgaged Premises has not been adversely impacted. See Section 4407.1 for property condition requirements.

(j) Seller representation of property review or valuation

A Seller that has accepted an ACE+ PDR offer must not make any representation that Freddie Mac has performed a property review or obtained a valuation of the Mortgaged Premises.

(k) ACE+ PDR additional requirements

Each Mortgage delivered with a PDR must retain the PDR in the Mortgage file and also comply with the additional requirements below:

Additional PDR requirements	
Requirement type	Section reference
Qualification and requirements for the property data collector and Seller oversight	Section 5603.6
Exhibits for PDRs	Section 5604.2(h)
Age of the PDR	Section 5604.3(c)
PDRs with required repairs and/or inspections	Section 5605.9
ACE+ PDR upgrade to appraisal requirements	Section 5604.1(d)

(l) bACE API submission requirement

The PDR must be submitted to the [bACE API](#).