A *Better* Freddie Mac

...and a *better* housing finance system

**For families**
...innovating to improve the liquidity, stability and affordability of mortgage markets

**For customers**
...competing to earn their business

**For taxpayers**
...reducing their exposure to mortgage risks
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 am</td>
<td>Continental Breakfast</td>
</tr>
<tr>
<td>9:00 am</td>
<td><strong>Session 1</strong></td>
</tr>
<tr>
<td></td>
<td>• Appraisals at Freddie Mac</td>
</tr>
<tr>
<td></td>
<td>• Results of Appraisal Reviews</td>
</tr>
<tr>
<td></td>
<td>• Appraisal Report Content</td>
</tr>
<tr>
<td>Noon</td>
<td>Networking Lunch</td>
</tr>
<tr>
<td>1:30 pm</td>
<td><strong>Session 2</strong></td>
</tr>
<tr>
<td></td>
<td>• Appraisal Report Content (continued)</td>
</tr>
<tr>
<td></td>
<td>• Appraisal Technology Discussion</td>
</tr>
<tr>
<td></td>
<td>• The View from the Freddie Mac Underwriting Perspective – Panel</td>
</tr>
<tr>
<td></td>
<td>• From the Appraisal Community – Your Perspective</td>
</tr>
<tr>
<td>3:30 pm</td>
<td>Closing remarks</td>
</tr>
</tbody>
</table>
Reference Guide

• The Reference Guide includes note pages for your use throughout the day. The resources in the back are for your reference.

• Projected slides will be digitally available after the event.

• Some of this material will be available on the public Freddie Mac website:

https://mf.freddiemac.com/lenders/asset/
LET'S GET STARTED
The underlying exercise of a Freddie Mac review of a third-party real estate appraisal review is to determine if the appraiser has *adequately* supported his/her opinion of market value.
In the appraisal report, we want to know

*What*  the appraiser knows about the subject property and its market

*How*  they know it

*The impact*  it has on the subject’s market value

*Not:*  “…based on my years of experience and knowledge of the area…”
Freddie Mac Underwriters

• Critically review the appraisal to determine if the appraiser’s value is reasonably supported

• Use the data within the appraisal report to verify and refine the Freddie Mac underwritten value
Appraisal Review:
A quick philosophy
Issues that might have an impact on market value

Issues that might not affect market value but have an impact on the validity/credibility/veracity of the appraisal

Issues that do not have an impact on market value or validity of the appraisal
Things We Review For

• Difference between a reasonably well-written appraisal and a below average appraisal: the addition of a short/concise summary at the conclusion of each section

• This addition reduces the need for “go-backs” to clarify the appraiser’s narrative

• Materiality Matters

Saves everyone both time and money…and frees up more time for everyone in the lending chain to do additional quality transactions!
Causes of “Go Backs”

- Data and conclusions without discussion or adequate analysis
- The appraiser not being aware of Freddie Mac’s specific requirements
- Murky “Scope of Work”
  - Inspection requirements
  - Third-party reports
  - Specific intended user/reliance language
- Administrative issues
  - Property name or borrower’s name
  - Property address
  - Number of units
Appraisers are trying to reflect the actions of buyers and sellers in the market and give their opinion of the most probable selling price of the subject property (i.e., market value) vs Underwriters are completing a mortgage/business transaction, and have more considerations than just the property’s market value.
Some Areas of Differences

- Effective Gross Income
- Real estate taxes
- Occupancy/vacancy
- Reserves for replacement
- Proposed vs. existing restricted rent contracts

We rely on the appraiser to “call it like they see it”
What I have been asking of the appraisal community....
A SWOT Analysis/Discussion

**STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)**

**Strengths/Opportunities**
- The subject property offers market rate and rent-restricted units;
- Affordable projects typically have steady cash flows;
- Unit turnover is low at the subject according to the on-site representative;
- The subject’s occupancy is typically high relative to similar market rate projects due to the amount of affordable units;
- Low income housing units are in high demand in Orange County. There is strong demand for low-income apartment units within the area. It is typical to have waiting lists ranging up to 5 years in length.
- The subject has good freeway access and is in close proximity to schools, parks, shopping centers and employment.
- There is a limited amount of new apartment construction planned for the immediate area.
- The owner could potentially apply for a tax abatement

**Weaknesses/Threats**
- Affordable projects lack significant rent increases.
- The subject does not currently benefit from a tax abatement.
Discuss Deficiencies

- **Sales**: Older or a wide geographic area
- **Sales**: Poor or missing financial data
- **Sales**: Poor comparability or quantity

- **Income**: Bad rent roll from the property manager
- **Income**: Not a substantial operating history
- **Income**: Capitalization rate is dependent on the quality of the sales information

- **Market**: In flux or other issues
- **General**: Lack of cooperation by the property management
Results of Appraisal Reviews
2018 and YTD 2019
Paige Lawson

Multifamily Appraisal Senior
<table>
<thead>
<tr>
<th>Rank</th>
<th>Appraisal Review Item</th>
<th>Freddie Mac Guide Chapter</th>
<th>Potential # of points</th>
<th>Received no (0) points of 137 observations</th>
<th>% Not in Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Easement discussions or statements are documented by a plat reference, title policy, or other documentation</td>
<td>60.12g</td>
<td>1</td>
<td>108</td>
<td>79%</td>
</tr>
<tr>
<td>2</td>
<td>The equity dividend rate in the Band of Investment should make sense, is adequately explained, and adequately supported</td>
<td>60.14c(4)</td>
<td>1</td>
<td>98</td>
<td>72%</td>
</tr>
<tr>
<td>3</td>
<td>Financial assumptions of the Band of Investment calculations should be supported</td>
<td>60.14c(4)</td>
<td>1</td>
<td>95</td>
<td>69%</td>
</tr>
<tr>
<td>4</td>
<td>Capitalization rate should be supported by the appraiser’s most similar sales identified in the Sales Comparison Approach</td>
<td>Best Practices</td>
<td>3</td>
<td>88</td>
<td>64%</td>
</tr>
<tr>
<td>5</td>
<td>Replacement reserve should be supported by the property condition report or otherwise supported by market data</td>
<td>60.12f / 60.14c(4)</td>
<td>2</td>
<td>73</td>
<td>53%</td>
</tr>
<tr>
<td>6</td>
<td>Adjustments in the sales grid are adequately explained and supported</td>
<td>60.14b</td>
<td>2</td>
<td>61</td>
<td>45%</td>
</tr>
<tr>
<td>7</td>
<td>Historical income and expense statements should be added to the Addenda</td>
<td>60.20</td>
<td>1</td>
<td>50</td>
<td>36%</td>
</tr>
<tr>
<td>8</td>
<td>Insurable Value: The construction class in the Insurable Value section matches the Improvement Description and Cost Approach</td>
<td>60.25</td>
<td>1</td>
<td>50</td>
<td>36%</td>
</tr>
<tr>
<td>9</td>
<td>The tax assessment value is similar to the appraised value conclusion. If not, an adequate explanation is provided</td>
<td>Best Practices</td>
<td>2</td>
<td>39</td>
<td>28%</td>
</tr>
<tr>
<td>10</td>
<td>The appraiser includes relevant tax comparables (either for assessment or tax amount) and the conclusions are bracketed by these comparables</td>
<td>60.12c</td>
<td>2</td>
<td>32</td>
<td>23%</td>
</tr>
</tbody>
</table>
Resources

https://mf.freddiemac.com/lenders/asset/
Appraisals for our SBL program

50 pages or less

Requirement as of January 1, 2019

Appraisals for our TAHX program

75 pages or less

Requirement as of August 1, 2019
We were receiving 120-150 page reports.

**Three-week +**
delivery from appraiser to lender
- Go-backs add more time
- Then, delivery to Freddie Mac
- Review and go-backs add even more time

**Averaging 2.5 versions of reports**
once we receive them from the lender

Typical reader of these appraisals is an underwriter with three to five years of mortgage experience, not an appraiser.
The Solution

50 pages or less for SBL loans; 75 pages or less for TAHX loans plus Addenda

The Addenda will contain

1. Sales outlines
2. Rental outlines
3. Letter of engagement
4. Qualifications
5. Others

We want tables and charts, succinct summary discussions and bullet points, instead of boiler plate narrative and paragraphs and paragraphs of duplicative text
The Solution

- Shorter reports
- Easier for underwriters to read, comprehend and pick out the portions that matter most to their underwriting and the loan transaction
- Better control of the report quality by the appraisal firm, with fewer “go backs”
- Shorter report delivery time
- Shorter report review time by the Optigo℠ lender
- Shorter report review time by the Freddie Mac underwriter
- More uniform report product than 150-page narratives without the constraints or difficulty of a “fill in the blank” form
Reminders

The appraiser and underwriter shouldn’t confuse *brevity* with skimping on the explanation / discussion / analysis to hit the 50- or 75-page report size

Tell us the “story” of the property’s market value!

- Not just charts – we need analyses
- No windy boiler-plate paragraphs
- *Retired Form 71A as part of this program*
Areas for Efficiencies

- Letter of Transmittal
- Executive Summary
- Regional Description
- Property Tax
- Zoning
- Sales Comparison Approach
- Income Approach
Summarize. Shorten. Focus.
Observations from SBL Appraisals

1. The 50-page limitation: *Start counting at the beginning…!*

2. There is a general lack of support for the adjustments in the Sales Comparison Approach
   - We get a grid and “….therefore, my value is $XXXX”

3. Waiver form
   
   **Get a waiver from the client if your report meets any of these criteria:**
   
   - The property is located in a tertiary market which requires additional discussion by the appraiser
   
   - The property has substantial repairs that need to be evaluated and discussed by the appraiser
   
   - There are environmental issues reported by the third-party consultant that need to be evaluated and discussed by the appraiser
Appraisals with Lease-Up

Issues with appraiser lease-up projections:

• Not meeting absorption timeline of vacant units during / after renovations or new construction
• Properties not achieving the prospective market rents at stabilization

We see this:

• in our Asset Resolution area when properties are in trouble
• when we have issues placing loans in securitization after origination

On problematic properties, we have the benefit of comparing appraisals from the same firm / same appraiser 18–24 months apart, and we see material differences in value and in the appraiser’s assumptions of absorption and rents
Reasons for Issues

• Issues in the local markets (slower growth, employment, overall occupancy, etc.)
• Management issues at the property
• Appraiser’s absorption could too aggressive
• Appraiser’s market rents could be too aggressive
Causes

• Lack of adequate documentation in the appraisal report
  - The appraiser might have done an adequate job of research and analysis, but this material did not make it into the report
  - The appraiser did not adequately analyze the property and the local market conditions

• Appraiser might not be vetting / substantiating the client’s estimates; taking the documentation at face value without questioning

• Changing conditions at the property or in the submarket after the date of value
Cures

Require more detail and documentation in the absorption and market rent analyses

- More/better training for the Optigo lender and Freddie Mac underwriter on when to pushback to the appraiser
- Sample appraisals that have lease-up projections for direct feedback to the lender and the appraiser during the loan origination process
- Make this a ‘point of emphasis’ during the appraisal audit process
Improvements to Report Content:

Appraisal philosophy and/or wishful thinking
Issues in comparable adjustments

• Is an adjustment for “unit size” a credible thing?
Is an adjustment for “unit size” a credible thing?

Did your appraiser measure the subject units?

Did your appraiser measure the units at the comparable properties?

If the answer to either question is no…

Where did they get the unit sizes from?

How did they validate the information from the third party?
Is an adjustment for “unit size” a credible thing? (Cont’d)

**USPAP Standards Rule 1-2(e)**

“…identify the characteristics of the property that are relevant …”

**USPAP Standards Rule 1-6(a):**

“…an appraiser must reconcile the quality and quantity of data available…”

**USPAP Standards Rule 2-3**

“When a signing appraiser(s) has relied on work done by appraisers and others who do not sign the certification, the signing appraiser is responsible for the decision to rely on their work. The signing appraiser(s) is required to have a reasonable basis for believing that those individuals performing the work are competent. The signing appraiser(s) also must have no reason to doubt that the work of those individuals is credible.”
Is an adjustment for “unit size” a credible thing?  (Cont’d)

We *are not* saying that the appraiser has to measure the units in the subject or in the comparables for a Freddie Mac report.

But, no one is acknowledging that the appraiser is relying on the measurements of the apartment manager and uncertain / inconsistent methods and motivations for measuring the units from property to property.
Issues in comparable adjustments

• Is Economies of Scale a thing?

• “Age” as a basis for adjustments?
Capitalization Rate Development

**Capitalization rate development** from comparable sales, and the resulting errors in mixing and matching methods.
Loss-to-lease

Loss-to-lease in a multifamily property is the difference between 100% market rents and the actual leasing of the subject

- No industry standard way of accounting for or analyzing loss-to-lease
- Need a mechanism to adjust for reality, if the appraiser used 100% market rent scenario to estimate potential gross income (PGI)
Loss-to-lease (cont’d)

- If the appraiser’s PGI already considers the current rent roll (i.e., actual rents instead of 100% market rents), no need for any loss-to-lease adjustment

- A value that assumes 100% market rents in a multifamily property without considering the impact of the actual leases and rent roll is not an “As-Is” estimate of market value and would be subject to a Hypothetical Condition
Loss-to-lease (cont’d)

- An adjustment for loss-to-lease accounts for the property never achieving 100% market rents; that there will always be a differential between the income from the rent roll and the appraiser’s 100% market rent PGI.
- Some appraisers apply the loss-to-lease adjustment as a one-time deduction after the bottom line in both the Sales Comparison Approach and in the Income Approach, *and this is not correct.*

This is not a one-time phenomenon because rents for existing tenants will probably always lag behind market rent levels.
One method: apply a blanket loss-to-lease factor to the 100% market rent scenario.

The development of this factor would have to be produced through analysis of rent rolls in the subject’s market to determine marketwide averages.

### Loss to Lease Analysis:
Percentage Adjustment Calculation (sample)

<table>
<thead>
<tr>
<th>Income</th>
<th>Monthly Rent</th>
<th>Annual Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ocupied units at rent roll amounts</td>
<td>$74,370</td>
<td>$892,440</td>
</tr>
<tr>
<td>Vacant units at market rents</td>
<td>$3,390</td>
<td>$40,680</td>
</tr>
<tr>
<td>Total units at contract rent</td>
<td>$77,760</td>
<td>$933,120</td>
</tr>
<tr>
<td>Total units at market rent</td>
<td>$85,000</td>
<td>$1,020,000</td>
</tr>
</tbody>
</table>

**Indicated Loss-to-Lease:** 8.5%

Note: would be duplicated with other observations.
Remember: There is not a Loss-to-Lease if the appraiser is modeling actual rents from the current rent roll
Property Taxes

Need better support for the estimated tax assessment based on sales of similar properties in the jurisdiction
Property Taxes

Suggestions for incorporating risk of reassessment

<table>
<thead>
<tr>
<th>Sale Date</th>
<th>Property</th>
<th>Property Type</th>
<th>Recorded Sale Price</th>
<th>Assessment at Sale</th>
<th>Next Year Assessment</th>
<th>% Increase</th>
<th>% of Sale Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-15</td>
<td>Grove at Flynn's Crossing</td>
<td>MF (LIHTC)</td>
<td>$31,000,000</td>
<td>$17,491,090</td>
<td>$19,503,300</td>
<td>11.5%</td>
<td>62.9%</td>
</tr>
<tr>
<td>Mar-15</td>
<td>Commons on Potomac Square</td>
<td>Multi-Family</td>
<td>$21,600,000</td>
<td>$19,784,990</td>
<td>$19,784,370</td>
<td>0.0%</td>
<td>91.6%</td>
</tr>
<tr>
<td>Jan-14</td>
<td>Loudoun Heights</td>
<td>Multi-Family</td>
<td>$89,500,000</td>
<td>$56,459,960</td>
<td>$56,841,190</td>
<td>0.7%</td>
<td>63.5%</td>
</tr>
<tr>
<td>May-13</td>
<td>Residences at Moorefield Village</td>
<td>Multi-Family</td>
<td>$86,100,000</td>
<td>$56,019,680</td>
<td>$63,419,190</td>
<td>13.2%</td>
<td>73.7%</td>
</tr>
<tr>
<td>Dec-12</td>
<td>Grove at Flynn's Crossing</td>
<td>MF (LIHTC)</td>
<td>$18,100,000</td>
<td>$14,622,200</td>
<td>$17,221,080</td>
<td>17.8%</td>
<td>95.1%</td>
</tr>
<tr>
<td>Sep-12</td>
<td>Chase Heritage Apartments</td>
<td>Multi-Family</td>
<td>$42,400,000</td>
<td>$30,120,500</td>
<td>$32,965,520</td>
<td>9.4%</td>
<td>77.7%</td>
</tr>
<tr>
<td>May-12</td>
<td>The Manor East (t/a Hunter's Crossing)</td>
<td>Multi-Family</td>
<td>$16,200,000</td>
<td>$12,900,100</td>
<td>$14,402,460</td>
<td>11.6%</td>
<td>88.9%</td>
</tr>
<tr>
<td>Mar-12</td>
<td>Commons on Potomac Square</td>
<td>Multi-Family</td>
<td>$19,350,000</td>
<td>$11,839,100</td>
<td>$19,149,340</td>
<td>61.7%</td>
<td>99.0%</td>
</tr>
<tr>
<td>Sep-11</td>
<td>Archstone Stoneridge</td>
<td>Multi-Family</td>
<td>$120,791,000</td>
<td>$79,386,200</td>
<td>$111,680,700</td>
<td>40.7%</td>
<td>92.5%</td>
</tr>
</tbody>
</table>

Source: Loudoun County Assessment Records

The above table indicates the assessments following the sales ranged from 62.9% to 99.0% of the sale price with an average of 82.8% and median of 88.9%. The subject’s current assessment is approximately 80% of the value derived later in this report, which is below the range. In the analysis, we have estimated a pro-forma tax assessment of $50,000,000 which is 88% of the contract price.
Selection of Comparable Sales

- Use of portfolio sales as “comparables”
- Use of 1031-exchange transactions as “comparables”
Entrepreneurial Profit is not part of Insurable Value ...
Keep track of Multiple Valuation Scenarios

If there are multiple valuation scenarios (i.e., as-is, stabilized, restricted rent vs. market rent, as-renovated, etc.), use different page / background color or some alternative page frame layout to differentiate the scenarios for the reader/reviewer.
Photo Recommendation

Put at least one photo near the front of the report so the reader can visualize the property.
Addenda content

- Three years *and* YTD of financial data *required* in the report
- Call out rent roll issues within the report (i.e., the date of the rent roll compared with the valuation date, clarity of the content and format, quality, etc.)
Materiality vs. Nonsense

Some appraisers provide a graph of the relationship between sales price and NOI that implies how strong their analysis is.

These are just graphs demonstrating the calculated capitalization rates. A discussion that implies anything else is misleading.
Materiality vs. Nonsense (cont’d)

A 10-year discounted cash flow when the property will achieve stabilization in *six to 24 months*

**Development and Credibility Issues**

- Annual cash flows and discounting instead of quarterly or monthly for short-term unstabilized properties
- Constant increases in income and expenses for 9+ years
- Discount rate not tied to the capitalization rate
- No support for any of the assumptions
Appraisal Licenses

Anyone signing the appraisal must be certified in the state in which the property is located

- Example: You cannot use a New York certification to appraise a property in Missouri

In addition to the specific laws of each state in which you do business (your home state and the state in which the property is located), reference *Freddie Mac Multifamily Seller/Servicer Guide* Section 60.5b.

*If you sign it, you must be certified!*
Appraisal Technology Discussion
Ben Schweitzer

Senior Director
Multifamily Innovation Lab
Technology

• Where is Freddie Mac going with technology?
• Where is the appraisal industry going?
• Where are your firms going?
How can we help?
### Power of the Engine and Model

<table>
<thead>
<tr>
<th>Type</th>
<th>Report</th>
<th>Subject: 53 Spencer St</th>
<th>Appraiser-suggested: 368 Throop Ave</th>
<th>Algorithm-suggested: 143 Bleecker St</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Year built</td>
<td>1931</td>
<td>1899</td>
<td>1931</td>
<td></td>
</tr>
<tr>
<td>2 Number of units</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>3 Relevant unit mix</td>
<td>2: 3BR, 1BA</td>
<td>0: 3BR, 2BA</td>
<td>2: 3BR, 1BA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4: 3BR, 2BA</td>
<td>6: 3BR, 2BA</td>
<td>2: 3BR, 2BA</td>
<td></td>
</tr>
<tr>
<td>4 Total residential square footage</td>
<td>4,764</td>
<td>5,350</td>
<td>5,400</td>
<td></td>
</tr>
<tr>
<td>5 Renovation year</td>
<td>2016</td>
<td>2014</td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td><strong>Non-traditional</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 % of population ages 20-25</td>
<td>5.7%</td>
<td>12.4%</td>
<td>7.3%</td>
<td></td>
</tr>
<tr>
<td>2 Buildings Dept. complaints (.1 mi)</td>
<td>22</td>
<td>49</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>3 Avg coffee shop Yelp rating (.5 mi)</td>
<td>4.0</td>
<td>3.5</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>4 Food health violations (.3 mi)</td>
<td>22</td>
<td>3</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td><strong>Results</strong></td>
<td></td>
<td>90%</td>
<td>95%</td>
<td></td>
</tr>
<tr>
<td>Similarity Score</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average rent per square foot</td>
<td>3BR, 1BA: $3.23 (912 SF)</td>
<td>3BR, 1BA: N/A</td>
<td>3BR, 1BA: $3.71 (800 SF)</td>
<td>3BR, 2BA: $3.82 (950 SF)</td>
</tr>
<tr>
<td></td>
<td>3BR, 2BA: $4.30 (735 SF)</td>
<td>3BR, 2BA: $5.55 (892 SF)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The analytics engine incorporates underwriters’ feedback, which revealed material differences between the drivers that influence a property’s expense vs. its rent.

~700 variables were examined by industry experts and advanced analytic techniques to gain insight on the top predictors that affect a property’s expense and rent.

**Step 2:** Leverage the eXtreme gradient boost algorithm to identify variables that add predictive power.

**Rapidly ingest data:**
- Ingest ~ 600 variables from both internal and external sources
- Feature engineer ~100 new variables

**Identify statistically significant drivers:**
- ~300 variables and transformations

**Train and fine tune machine learning algorithm:**
- 50 variables

**Final variables:**
- ~20 variables

**Step 1:** Elimination of variables based on feedback from business/industry experts and quantitative analysis

**Step 3:** Elimination of confounding variables with feedback from business/industry experts

**Several predictors identified**

**Rent**
- Unit type composition
- Repairs
- Insurable value
- Distance to public transportation
- Distance to mall
- Education of neighborhood

**Expense**
- Insurable value
- Assessed value of land
- Square footage
- Amenities
- Density
- Size
- Number of units

---

1. All three steps were an iterative process
2. eXtreme gradient boosting
The View from the Freddie Mac Underwriting Perspective
Suspicious Activity & Fraud Training
Appraisal Forum
MF Red Flags

Red Flags Require Closer Review to Determine if It's Legitimate or Not

- Documents from a counterparty that appear to be altered
  - Rent Rolls, Borrower Financials, Real Estate Owned (REO) Schedules
- Rent Rolls with high number of leases with same start date, especially if just prior to loan application
- Rent Rolls with multiple units leased by the same tenant or tenants with same last name
- Purchase price recorded below appraised value or loan amount
- Rushed Inspections or refused access to what appears to be a vacant unit
- Appearance of staged units, empty units with active lease or lease file audit with anomalies
Reporting MF Suspicious Activity

Suspicious Activity Reporting is Everyone’s Responsibility

- All suspicious activity involving MF S/S, borrowers or transactions must be reported (Includes reporting suspicious activity on loans not funded)
- All tips are confidential

Report tips to:
MF_Mortgage_Fraud_Reporting@FreddieMac.com

OR call
Linda Salley  (703) 903-2611

We work with MF Leadership to determine appropriate action

Our Best Tips Come From Internal Referrals and Business Partners!
Feedback from the group

Are there areas for change / improvement in our appraisal process or focus of our appraisal reviews?
Sometimes appraisals are easy...
Sometimes appraisals are hard...