



Home Value Explorer

Streamlining the collateral valuation process

Home Value Explorer® (HVE®) is a Freddie Mac automated valuation model (AVM) that generates an estimate of property value in seconds. HVE simplifies the mortgage process by streamlining the collateral valuation cycle. For more than 20 years, Freddie Mac has effectively employed AVMs internally for its own risk and portfolio management. Lenders and real estate professionals who need fast, accurate value estimates can benefit from the proprietary data, modeling expertise, industry knowledge and long-standing reputation that Freddie Mac and HVE bring to the market.

Key Benefits

- Generates fast and accurate valuations.
- Provides Confidence Scores that are easy to interpret and are statistically based on the Forecast Standard Deviation (FSD).
- Leverages Freddie Mac's modeling expertise and industry knowledge.
- Rated consistently as a top AVM in the industry for coverage, accuracy, and reliability.
- HVE point value estimates can be used to determine the property value for Relief Refinance MortgagesSM for certain 1- or 2-unit properties.

Key Features

- Provides extensive coverage of all 50 states and the District of Columbia, including more than 3,100 counties.
- Employs a database of more than 81 million property addresses obtained from national data repositories and the Freddie Mac loan portfolio.
- Includes values for properties in nondisclosure states using data from the Freddie Mac loan portfolio.
- Returns a valuation hit on a national average of 80 percent of all properties submitted. If prior sales information is provided, hit rates are even higher.
- Utilizes a unique Freddie Mac proprietary algorithm that blends model estimates returned by our repeat sales model and our hedonic model into a single product.
- Provides the HVE point value estimate, with additional related feedback data elements, at no additional cost, to help identify potentially inflated appraisal values that may need additional review early in the origination process.

Home Value Explorer Sample Report

A sample HVE report is provided below. The actual format will vary based upon the distributor.

Property Address: 9010 LARENT DRIVE **City:** DURHAM **State:** NC **Zip:** 27704

Model Type **Low** **Point** **High** **Score** **FSD**
HVE \$119,716 \$133,269 \$148,357 H 0.110

REPORT RECENT SALES/COMPARABLES

Address	City	County	State	Zip	Mrtg Trans Type	Sale Date	Price	Living Area	Lot Size	Bed	Bath	Units	Year Built	Assesd Tax	Ppty Tax	Pool	Garage	APN	Code Std	Code	CostPer SqFt	Lat	Long	Distance
9010 LARENT DR	DURHAM	O63	NC	27704				1481	18468	3	2.00	1	1988	\$148,617	\$1,854		N	146957	RSFR			36.16996	78.91372	
Proximity Based Results																								
9024 LARENT DR	DURHAM	O63	NC	27704	S	2010-09-02	\$146,000	1529	14068	3	1.00	1	1989	\$138,954	\$1,733		Y	146968	RSFR	R-10	\$95	36.16012	78.91391	0.0362
23456 SANDRA DR	DURHAM	O63	NC	27704	S	2010-08-02	\$154,500	1499	17989	3	2.00	1	1978	\$144,380	\$1,801		N	146875	RSFR		\$103	36.16906	78.9153	0.0395
217 HILLSMOUNT DR	DURHAM	O63	NC	27704	S	2010-08-02	\$157,000	1503	18642	3	3.00	1	1988	\$146,122	\$1,823		Y	146775	RSFR	R-10	\$104	36.16835	78.9144	0.0568
978 CLOVER LN	DURHAM	O63	NC	27704	S	2010-10-02	\$145,000	1215	10671	3	2.00	1	2000	\$139,400	\$1,739		Y	146658	RSFR		\$119	36.16763	78.91839	0.3047
11001 WELLER SIDE DR	DURHAM	O63	NC	27704	S	2010-11-02	\$129,500	1246	12239	3	1.00	1	1972	\$119,201	\$1,487		Y	146552	RSFR		\$104	36.16239	78.91642	0.4511
3 CITY DR	DURHAM	O63	NC	27704	S	2010-12-02	\$137,000	1385	13589	3	2.00	1	1978	\$137,937	\$1,721		Y	146448	RSFR	R-10	\$99	36.16158	78.9149	0.5374
24 GRASS LN	DURHAM	O63	NC	27704	S	2010-10-02	\$116,000	1475	13502	3	2.00	1	1957	\$134,802	\$1,681		Y	146332	RSFR	R-10	\$79	36.16091	78.90319	0.6085
52 GRASS LN	DURHAM	O63	NC	27704	S	2010-10-02	\$115,000	1083	19993	2	1.00	1	1948	\$88,724	\$1,106		Y	146224	RSFR		\$106	36.1671	78.90974	0.7086
251 SOUTH ST	DURHAM	O63	NC	27704	S	2010-10-02	\$110,000	1139	14112	2	2.00	1	1959	\$112,880	\$703		Y	146315	RSFR	R-10	\$97	36.16829	78.90789	0.7925
9 LINDEN ST	DURHAM	O63	NC	27704	S	2010-11-02	\$124,500	1074	13895	2	1.00	1	1957	\$103,228	\$643		Y	146178	RSFR		\$116	36.16136	78.90303	1.2498

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Learn more about Home Value Explorer

- Visit FreddieMac.com/hve
- View a complete list of distributors at FreddieMac.com/hve/distributors.html



Home Value Calibrator

A tool for pre- and post-funding quality control

Home Value Calibrator® (Calibrator) is a quality control tool that measures the risk that an appraisal, or other estimate of a property value, exceeds the actual market value by at least 10 percent. It assists in identifying loans for further evaluation and prioritizing workflow. Calibrator combines the precision of an automated valuation model with a statistically based scoring model to deliver a score that can help identify loans with potentially inflated collateral valuations.

Key Benefits

- Automated process is more efficient than traditional quality control methods.
- Delivers an easily interpreted score that can instantly identify appraisals that need additional review.
- Matches the level of review to the risk.
- Identifies potential outliers prior to funding.
- Prioritizes workflow.
- Streamlines quality control sampling methodology.
- Enables users to track up to four loan characteristics to identify trends and improve appraisal management processes.

Key Features

- Generates a score between 300 and 900 to indicate the probability of an inflated valuation. Lower scores indicate higher risk.
- Leverages the Home Value Explorer® (HVE®) estimated value of a property and combines it with a predictive statistical scoring model.
- Analyzes key elements of loan data and property information along with the HVE value.
- Enables prioritization of workflow based on the score received.
- Allows users to aggregate results and produce customized monthly reports to track performance and identify trends.

CALIBRATOR SAMPLE OUTPUT

Loan
Number: TEST0409A

Calibrator for 2801 SUNSET DR NE : 413

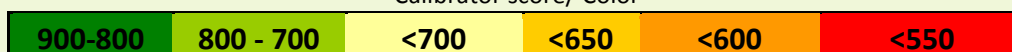
Property Information:

Street Address: 2801 SUNSET DR NE
City: TUSCALOOSA **State:** AL **Zip:** 35404 - 1234

Scores below **500** are at highest risk of faulty assessment
Scores between **500 and 600** are at a high risk of faulty assessment
Scores between **600 and 700** are at moderate risk of faulty assessment
Scores above **700** are at lower risk of faulty assessment

INTERPRETING CALIBRATOR SCORES

Calibrator score/ Color



KEY

Risk appraisal is inflated



CALIBRATOR BATCH PROCESSING

The following key loan data elements and property information are used to analyze the accuracy of the valuation :

Calibrator Batch Processing Input File Layout

Data Element	Examples
Property Street Address	123 Main St, Anywhere, CA, 99999
Property Type	Single Family, Condo, 2-unit, manufactured
Loan Number	1234567890
First Lien Loan Amount	\$200,000
Second Lien Loan Amount	\$40,000
Loan Purpose	1st Lien: Purchase, Cash-out Refinance, No Cash-out Refinance 2nd Lien: Home Improvement, Debt Consolidation, Other
Valuation Type	Appraisal, Purchase price, Borrower estimated value
Valuation Amount	\$375,000
Valuation Date	August 15, 2010
User-Defined Field 1*	Branch (Southwest, Northeast, Central)
User-Defined Field 2*	Appraisal Company/ AMC (XYZ Appraiser Company)
User-Defined Field 3*	Appraiser (John Smith, Michael Brown)
User-Defined Field 4*	Channel (Broker, Retail or Correspondent)

*Users may define data for up to four fields to generate customized reports

Learn more about Home Value Calibrator

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