

Freddie Mac Announces Direct Deposit Assessment Tool

By: Jann Swanson | Tue, Feb 15 2022, 10:02 AM

Another tool will soon be available to lenders working with Freddie Mac that is expected to **speed up loan processing** and reduce the paperwork involved. The company has announced a new, automated capability that will allow lenders to assess an applicant's income that is paid through direct deposits. The new tool will be available to lenders nationwide through Freddie Mac's Loan Product Advisor (LPA) asset and income modeler (AIM).

Freddie Mac said that more than **93 percent** of U.S. workers are paid through direct deposit. In addition to accessing information on those payments, the AIM system can also, with borrower permission, assess an applicant's income from employer data as well as tax return data for self-employed individuals.

"Our direct deposit solution is an innovative, data-driven approach that takes minutes, not days to assess income so our clients can serve more borrowers more efficiently," said Matt Vincent, Freddie Mac Single-Family vice president of credit and capacity. "Sourcing data directly from the mortgage applicant's bank account increases accuracy, removes subjectivity, reduces manual underwriting errors and delivers a better experience for borrowers and lenders."

Freddie Mac says that a recent study shows that lenders using its automated solutions, including AIM, were able to boost efficiency and reduce processing by as much as **15 days**. These improvements translated into cost savings, increased consumer satisfaction, and improved capacity and pull-through rates.

The company will announce additional requirements and the effective date for the product in its March Guide Bulletin.

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