



Announcement: CWL2021-13

Issue Date: June 15, 2021

Effective Date: June 15, 2021

Attachment: Conventional Guidelines

LPA Verification of Deposit (VOD) Update

Freddie Mac recently updated their requirements when direct account verifications (i.e., verification of deposit forms (VOD)) are used.

Effective immediately, for direct account verifications, the following additional documentation for the source of funds is required when an account is opened within 90 days of verification and/or when the current balance in an account was significantly greater than the average balance:

- When a VOD is used for purchase transactions, the lender must include documentation of the source of funds when an account is opened within 90 days of verification and/or when the current balance in an account exceeds the average balance by more than 50% of the sum of:
 - The total monthly qualifying income for the mortgage, and
 - The amount derived from the asset calculation for establishing the debt payment-to-income ratio in accordance with Freddie Mac Asset Qualification Sources, if applicable.
- For example, if the current balance reflected on the borrower's verification of deposit (VOD) form is \$15,000 and the average balance is \$12,000, the source of the \$3,000 increase must be verified if the borrower's total monthly qualifying income is less than \$6,000.