

Announcement #25-24

Date: March 12, 2025

Freddie Mac Update: Treatment of Authorized User Accounts

Effective with new applications dated on or after 04/01/25, Freddie Mac is updating their Selling Guide to require that when a borrower is an authorized user on a revolving or a 30-day account, the monthly payment on the account must be included in the DTI ratio as outlined below.

For Accept mortgages, when a borrower's credit report contains tradelines for accounts for which the borrower is not the primary account holder but listed as an authorized user, Loan Product Advisor (LPA) will return a feedback message when additional documentation is required.

When the message is included on the last feedback certificate, for each account the borrower is listed as an authorized user, the mortgage file must include documentation of one of the following:

- The account is owned by another Borrower on the Mortgage
- The account is owned by the Borrower's spouse
- The Borrower has been making the payments on the account for the last 12 ***months and the monthly payment, as reported on the Borrower's credit report, is included in the monthly debt payment-to-income ratio***

If the above requirements cannot be documented when the LPA feedback message is returned, the LPA assessment is considered invalid.

Refer to Freddie Mac Selling Guide Section 5201.1 for complete requirements.

Please contact your Sales Representative with any questions.