

## How to Include Rental Payment History in DU/LPA Decisions

This guide provides information on how people applying for mortgages who have paid rent consistently for at least 12 months can have that payment history considered by an automated underwriting system (AUS) to help them qualify using FormFree's AccountChek platform. We currently use this platform for Day 1 Certainty asset verifications.

This can potentially **expand homeownership opportunities** to historically marginalized borrowers who have been overlooked by the traditional mortgage and banking system due to limited credit history.

### What borrowers are eligible for this feature?

**Fannie Mae** – At least one borrower must:

- Be a first-time homebuyer purchasing a principal residence
- Have a credit score of at least 620 (nontraditional credit not permitted)
- Have been renting for at least 12 months
- Have rent payments of \$300 or more per month, and
- Have bank accounts that document the most recent 12 months of recurring rent payments

**Freddie Mac** – At least one Borrower with a rent payment history must:

- Have a usable credit score
- Be a First-Time Homebuyer purchasing the subject property as their primary residence, and
- Have been renting for a minimum of 12 months with a monthly rental payment of at least \$300 that is paid from the depository account(s) in the verification report

### What do the GSE's consider a "rent payment"?

#### DU Consideration

- For rent payments of \$300 or more per month, DU will attempt to identify consistent payment amounts from the **12 months of bank statement data** on the VOA report obtained by the lender that align with the rent amount provided on the DU loan application submitted to DU.

#### LPA Consideration

- LPA will attempt to identify consistent payment amounts from the **12 months of bank statement data** on the VOA report obtained by the lender. Rent payments made using Venmo, Zelle, and PayPal will be considered.

### How to Request

First, confirm the exact rent payment amount being made by the borrower, PRIOR to requesting the asset verification to ensure a successful run. Then in OpenClose, go to **Edit 1003 > Borrower Info Tab > Address Tab** ensure the **Monthly Rent** amount listed is correct.

Next, simply order an **AccountChek asset report**, as usual, and it will pull the required 12 months of the transaction data at **no additional charge**. Once submitted, the AUS will receive the 12 months+ of bank data required positive rent payment history enhancement.