



VOIE - Paystub (with TXVerify)

USER GUIDE

**MORTGAGE VERIFICATION SERVICE
VERIFICATION OF INCOME
AND EMPLOYMENT**



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PRODUCT SUMMARY

The Verification of Income and Employment (VOIE) — Paystub (with Transaction Verify) solution, often referred to as VOIE — Paystub (with TXVerify), is provided by Finicity, a Mastercard company, and provides verification of a borrower's income and employment by confirming the deposit of income into a borrower's direct deposit account. Mastercard's open banking platform digitally extracts a borrower's paystub data and cross-verifies key data with their income transactions within their direct deposit accounts. The VOIE — Paystub (with TXVerify) solution allows lenders to verify income and employment in minutes without lengthy and costly manual processes, all while helping reduce the risk of fraud and error.

The Mastercard VOIE — Paystub (with TXVerify) solution supports Freddie Mac's Loan Product Advisor® (LPASM) asset and income modeler (AIM) solution. Now, when a VOIE — Paystub (with TXVerify) report is added to the borrower's portfolio, AIM's new capability will match the digitized paystub with the direct deposits from the borrower's asset report — the Verification of Assets and Income report or the Verification of Assets report — which may result in an increase in the income representation and warranty relief rates.

To use VOIE — Paystub (with TXVerify), lenders will provide borrowers access to Mastercard's Connect tool. This tool enables the borrower to link their direct deposit account(s) with a paystub digitized by Mastercard's proprietary process. The result is a VOIE report that can be used to assess a borrower's income and employment through automated underwriting systems (AUS).




Understanding the Report

The VOIE – Paystub (with TXVerify) report is provided in both JSON/XML data and PDF formats. Please refer to the [Mastercard Developers documentation](#) for the description of the JSON format and fields.

The PDF report contains six key sections:









1. Report Header

Verification of Income and Employment - Paystub (with TXVerify)		This report is provided by Finicity, a Mastercard Company
 Elizabeth Johnson 123 Main St. Portland, OR 97035	Loan Number: 13402334 Reference No: 3348322 Loan Officer: Charles Mills	Requestor: AcmeLending Report ID: id6v125c6mr0-voietxverify Portfolio ID: dnxmh82uar7w-2-port Created Date: 15/SEP/22

This section displays basic information about the report, including the date the report was generated, the borrower's name, and the portfolio ID used for AUS submission.

2. Income and Employment Verification Summary

EMPLOYER - Initech



INCOME AND EMPLOYMENT VERIFICATION SUMMARY			
 Income Verification			
Paystub Gross Pay \$2,150	Paystub Net Pay \$1,423 	Deposit Transactions Total \$1,423 	 VERIFIED Income amounts verified by matching transaction details.
 Employment Verification			
Employer Name - Paystub Initech	Employed 	Employer Name 	 VERIFIED Employer Name verified from validated paystub.

These are the summaries of the process to match the net pay amount from the paystub to the total of direct deposits and the process to identify the employer's name from the paystub.

3. Paystub Data




PAYSTUB DATA - Finpay Payroll 15/SEP/21

Employee Name			Employer Name			Reporting Period		Pay Date	
Elizabeth Johnson			Initech 			29/AUG/22 - 12/SEP/22		15/SEP/22	
Earnings		Rate	Hours	Current Pay	YTD Total	Deductions		Current	YTD Total
Regular		\$50.00	30	\$1,500.00	\$27,000.00	FICA - Medicare		\$32.25	\$580.50
Commission				\$650.00	\$5,200.00	FICA - Social Security		\$129.00	\$2,322.00
						Federal Tax		\$150.50	\$2,709.00
						State Tax		\$107.50	\$1,935.00
						401k		\$107.50	\$1,935.00
						Health Insurance		\$200.00	\$3,600.00
YTD Gross				YTD Net Pay		Gross		Net Pay	
\$32,200.00				\$19,118.50		\$2,150.00		\$1,423.25 	
Paystub - Direct Deposit Info									
Financial Institution			Account Type			Account Number		Amount	
Wells Fargo			Checking			8945		\$1,423.25	

This section details the digitized paystub information.

4. Matched Transactions

MATCHED TRANSACTION - Initech - Wells Fargo Checking (8945)		
Account Owner: Elizabeth Johnson		Oldest Transaction Date: 15/FEB/21
Number of Deposits: 24		Total past 12 months (Net): \$34,158
Cadence: 15 Days		Average Monthly Amount (Net): \$2,846
Total Income History: 12 Months		
Matching Transaction		
Date	Description/Memo	Amount
23/SEP/22	FINPAY Payroll - Initech	\$1,423.25 

Here, the report displays the direct deposit transactions with a match to the paystub net pay amount and pay date.

5. Summary by Account



SUMMARY BY ACCOUNT

Financial Institution	Account	Account Owner	Account Type	Beginning Balance	Average Monthly Bal.	Current Balance
 Wells Fargo	Checking 8945	Elizabeth Johnson 123 Main St. Portland, OR 97035	Checking	\$4,000	\$4,750	\$5,500

This is a summary of all the accounts connected by the borrower.

6. Income Streams

INCOME STREAMS

Initech - Wells Fargo Checking (8945)

Account Owner: Elizabeth Johnson

Number of Deposits: 24

Cadence: 15 Days

Total Income History: 12 Months

Oldest Transaction Date: 15/FEB/22

Total past 12 months (Net): \$34,158

Average Monthly Amount (Net): \$2,846

Confidence: HIGH

Status: Active

Transactions

Date	Description/Memo	Amount
15/SEP/22	FINPAY Payroll - Initech	\$1423.25
01/SEP/22	FINPAY Payroll - Initech	\$1423.25
15/AUG/22	FINPAY Payroll - Initech	\$1423.25

These are the specific income streams identified by Mastercard in the accounts connected by the borrower. Note: These income streams are not used by the GSE's AUS services as they have proprietary income stream identification logic.

Please refer to the "How to Read a VOIE Paystub Report" PDF document for more detailed information. Reach out to your Mastercard Customer Success Manager for access to that document.



IMPLEMENTATION OPTIONS

There are two ways to implement the VOIE – Paystub (with TXVerify) solution, both of which are discussed below. Please consider and use the one that best fits your business use case and your borrowers.

- The solution requires only the latest paystub per employment. Packets with multiple paystubs in one file will not be able to be processed.
- For the best results, please ensure that the file is clear and readable.
- Access test profiles and test paystub files [here](#).
- Please note the “GSE” column and use the appropriate test profile for the GSE solution you are looking to test.

Option 1: Borrower Paystub Upload

Mastercard can collect the paystub directly from the borrower with the Mastercard Connect UX tool. Although this option does add another step to the borrower data connection experience, it can be simpler because more of the borrower’s tasks are bundled into one process. It can also help the borrower remember to connect the right direct deposit accounts.

This Connect experience is usually plugged in to the income step of the loan application in the point of sale, but it can also be sent to the borrower via an out-of-band email order. After you decide which Connect experience option you would like, Mastercard will create the Connect experience ID for you and help you implement it on your platform.

The following Connect experience options are available:

1. mvsIE
 - a. This is our income and employment waterfall experience intended to collect information necessary for income and employment verification in one borrower experience. First, the borrower searches for their payroll data. After payroll search the borrower is asked if additional employment is needed and if so, they are prompted to connect to their direct deposit account(s) and upload their most recent paystub. This option generates a VOIE — Payroll report (if data found) and a VOIE — Paystub (with TXVerify) report if required. Note that the asset report would need to be ordered separately by the lender and a separate Connect experience provided to the borrower.
2. mvsFull
 - a. This is a full waterfall experience to collect information necessary for assets, income and employment verification in one borrower experience, also known as “MVS-1-Touch.” First, the borrower is prompted to connect to their bank accounts and search for payroll data. After payroll search, the borrower is asked if additional employment is needed and, if so, they are prompted to upload their most recent paystub. This option generates a VOIE - Payroll report (if data found) report, a VOA report and a VOIE — Paystub (with TXVerify) report if required.
3. voiePaystubTxVerify
 - a. The borrower is prompted to connect to their direct deposit account(s) and upload their most recent paystub. Generates a VOIE — Paystub (with Verify) report. Note that the asset report would need to be ordered separately.

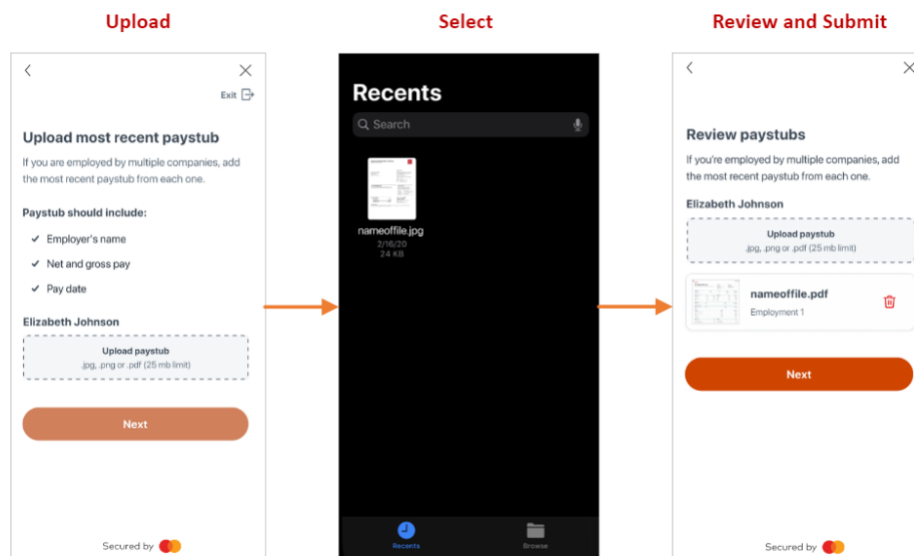


4. mvsBasicPaystub

- a. The borrower is prompted to connect to their bank account(s) and upload their most recent paystub. This generates a VOIE — Paystub (with TXVerify) report and a VOA1 report.

If you would like to use this implementation option, please work with your Mastercard Client Success Manager to confirm that your POS or LOS platform supports the desired Connect experience option, and they will generate the appropriate experience ID for you to use.

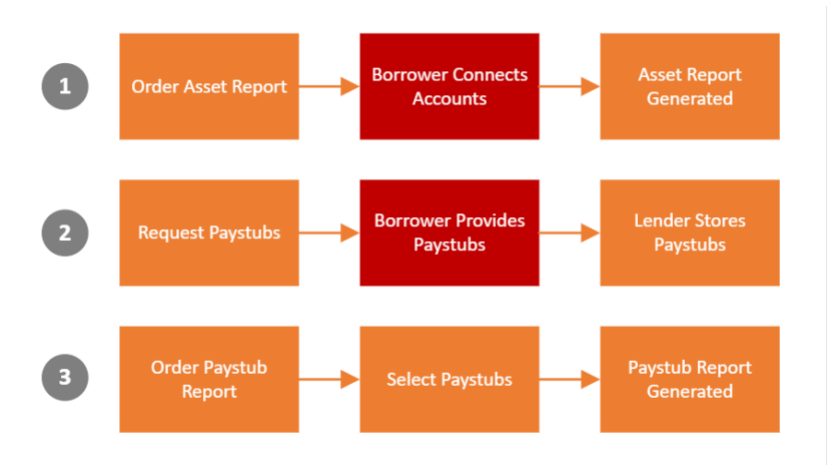
Here are some example screenshots of the Connect paystub upload UX:



Option 2: Lender Paystub Upload

Most lenders already have processes for collecting and storing paystubs from borrowers. This implementation option allows the lender to send the previously collected paystub file directly to the Mastercard API for digitization without re-engaging the borrower. Key to the success of this solution is the lender ensuring that the borrower already has an asset report, and it includes the account where their pay is direct deposited.

This option also reduces the amount of friction added directly to the borrower data connection experience, allowing lenders to only use the solution when both they and the borrower are ready.



Please be aware that the transaction data in the paystub report will be taken from the borrower’s asset report, and as such, it is recommended that the user ensure the asset report was generated recently and the transaction date range includes the date of the payment. If necessary, the user can refresh the asset report before ordering the paystub report.

We are working on supporting this implementation for Encompass users, but for now this option requires a direct integration to Mastercard’s APIs. First the paystub would need to be stored in the Mastercard system and an asset id returned, then that asset id would be passed into the API request to generate the VOIE — Paystub (with TXVerify) report. Please work with your Mastercard Client Success Manager for guidance on this implementation.



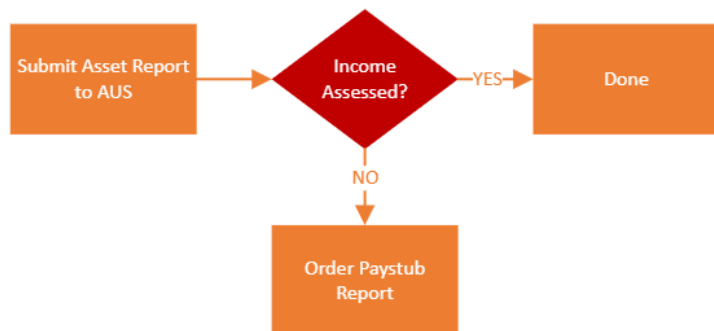
Usage With Freddie Mac's LPA AIM for Income Using Direct Deposits

Please note that in order to use the VOIE – Paystub (with TXVerify) solution for LPA's AIM for income assessment, LPA requires that the borrower have an asset report included in their portfolio. That report can be either a Verification of Asset and Income (VOAI) or a Verification of Asset (VOA) report. The VOA report is recommended for optimal income verification success as it provides a full, 24-month transaction history to the AUS system.

For URLA/1003 submission, the lender can either have the borrower review and confirm the income amount verified on the VOIE report after it is delivered back to the loan officer, or they can use the borrower's submitted income and allow the AUS system to match the VOIE report to the submitted income. For best success it is recommended to, if possible, enter the employer's name as close to the name as it appears in the direct deposit transaction description.

Requirements for Freddie Mac's LPA AIM for income using direct deposit plus paystub solution can be found in the Freddie Mac *Single-Family Seller/Servicer* Guide [Bulletin 2023-13](#). Please ensure to pay attention to the requirements around the recency of the paystub, the direct deposit stream length, and the supported loan types and income types for this solution.

Clients can either invest fully in the solution by including the VOIE – Paystub (with TXVerify) report in as many loans as possible, or the client can attempt to use just the asset report with first, then only add the paystub later as needed.



Note: LPA has messaging indicating when adding a paystub may help income assessment results.

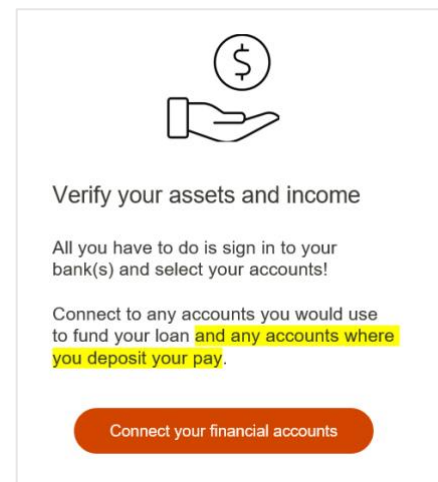
To use Freddie Mac's LPA AIM for income using direct deposit solution please reach out to your Freddie Mac account team and/or the Customer Support Contact Center, 800-FREDDIE. Activating the direct deposit solution within LPA will also give you access to the direct deposit plus paystub solution. Freddie Mac can assist with implementation or messaging related questions. Activation will be completed within 5 days.



USAGE BEST PRACTICES

With existing clients, we have found that the success of the solution is significantly impacted by the amount of preparation the client does before launching the solution. The following are some best practices for your consideration:

1. Understand the core AIM for income using direct deposit solution before jumping into adding paystubs.
2. Work with your Freddie Mac account team to understand and operationalize paystub-specific LPA messages and responses; and review all best practices and recommendations they have.
3. Train all report users (loan officers, processors, underwriters, etc.) on how the product works, including the items below. Feel free to utilize Mastercard's corporate trainer to help out as desired.
 - a. Why the company is implementing the product
 - b. How to order a report, how to read a report, how to refresh a report
 - c. Implementation best practices
 - d. How to talk to borrowers about the connection experience
 - i. See Mastercard's borrower facing video [here](#) for an example
 - e. How to respond to borrower concerns
 - f. How to resolve common VOIE — Paystub report issues (see FAQ)
4. Set up an internal reference library to access helpful resources like the "How to Read a VOIE — Paystub Report" document, the Mastercard [supported institutions search page](#), etc
5. Set up a clear, internal point of contact to address any Mastercard questions and support tickets.
6. Test the solution fully before launch and coordinate with your POS and LOS.
7. Implement processes to incentivize adoption
 - a. Tie the loan officer's success in borrower digital adoption to loan processing times and delivery of a better, faster loan officer and borrower experience for loans assessed by LPA.
 - b. Track and report on product usage and success.
 - c. Recognize and/or reward top adopters.
8. Consider implementing VOE – Transactions to meet your pre-close VOE requirements.
9. Where possible, let the borrower know about the digital connection experience ahead of time and educate them to connect their direct deposit accounts. Ideally, this is done in the point of sale before the Mastercard Connect experience. See the image to the right for an example.



FAQ

1. What should I use for the AUS submission reference ID to ensure LPA can retrieve both the asset report and the paystub report?

Use the latest iteration of the portfolio ID, which is included in the header of the report. Note: The portfolio ID is automatically populated for clients doing AUS submission through Encompass. For more information on GSE submission see [here](#).

2. What income representation and warranty relief rates can I expect with Freddie Mac's LPA AIM for income using direct deposits plus paystub solution?

Clients may experience an approximate 5% increase in income representation and warranty relief rates when adding digitized paystub data to Freddie Mac's LPA AIM for income using direct deposits solution. Please reach out to your Freddie Mac account team directly for more information.

3. What LPA messages are associated with this submission?

There are LPA messages specific to the AIM for income direct deposit plus paystub capability. Please reach out to your Freddie Mac account team to ensure you have the latest messages.

4. Does Fannie Mae have a corresponding program? Does it provide Day 1 Certainty?

Yes. It is called Paystub-Enhanced Single Source Validation (PESSV) and it is in pilot. It does provide Day 1 Certainty for lenders in the pilot. For questions on this program and requests to be considered for their pilot, please reach out to your Fannie Mae account team.

5. In the Borrower Paystub Upload option can the borrower take a picture of their paystub or upload a file from their device?

Borrowers can either take a picture with their device or upload a file.

6. What are the file requirements?

- ✓ Upload the most recent paystub for each employer
- ✓ One file can only contain the details for one paystub and can be a maximum of five pages in length
- ✓ Acceptable file types: PDF, JPEG, PNG
- ✓ The file size limit is 25 MB
- ✓ No bank statements or non-paystub images
- ✓ No password-protected PDF files

7. How many paystubs/employments does the product support?

The product only supports one paystub per employment. The product can verify multiple employments in one report.

8. How long does the VOIE – Paystub (with TXVerify) report take to generate?

The report will take on average 10 minutes to generate. It can take shorter or longer depending on the current load on the system and the size and complexity of the specific paystub.

9. What is the accuracy of data extraction?

The data accuracy is very high. We have an OCR plus human-in-the-loop QC process to ensure that data is only extracted from the paystub if there is very high confidence in the OCR results.




10. What are the primary report failure reasons and how can I resolve them?

1. Paystub digitization issues

- a. File had more than five pages or multiple paystubs in one file
 - i. Trim the unnecessary pages/paystubs from the file
- b. File was password protected
 - i. Reach out to the borrower to remove the password protection
- c. File was unreadable or too blurry
 - i. Coach the borrower to provide a good, clear, readable file

2. Deposit stream issues

- a. No paystub match found
 - i. Ask the borrower to confirm they connected their direct deposit accounts, and reconnect if needed
- b. Partial paystub match found
 - i. Often happens when the borrower splits their direct deposit and didn't connect all of the accounts
- c. Invalid transaction date range
 - i. The income stream was identified, but the direct deposit from the paystub has not been posted yet. Refresh the asset report to ensure that the direct deposit transaction shows up. The transaction can take up to a few days to show up after the pay date.

INCOME AND EMPLOYMENT VERIFICATION SUMMARY			
Income Verification			
Paystub Gross Pay \$5,410.57 USD	Paystub Net Pay \$3,238.17 USD ✓	Deposit Transactions Total N/A USD	 UNABLE TO VERIFY No possible transactions to match to for pay date. This may be resolved by refreshing the report.

11. Can the report be refreshed?

Yes. A refresh is only needed if the paystub file has become too old for AUS requirements (see Freddie Mac *Single-Family Seller/Services Guide* for details). Note that the asset report would need to be refreshed as well to ensure it contains the direct deposit from the new paystub.

12. Is there an employment verification only option?

Yes. To validate that the borrower is still getting their direct deposits on the expected cadence, without re-verifying income amounts, use the Mastercard VOE – Transactions report. The VOE – Transaction solution refreshes the transaction data from the borrower's connected accounts without requiring reengaging the borrower or collecting a new paystub.

13. Does the VOIE — Paystub (with TXVerify) report provide all necessary income URLA/1003 data points?

Not all data points are provided, some example unavailable data points are employment start date/duration, and position title. Those fields are not required to be on the report for AUS assessment, but they will need to be collected from the borrower to be included in the URLA/1003. For clients using our product in ICE's Consumer Connect or SimpleNexus' new Borrower 1003 experience, those fields are collected from the borrower during the loan application experience.



14. Does the VOIE — Paystub (with TXVerify) report provide the gross monthly income breakdown?

The VOIE — Paystub (with TXVerify) report categorizes the paystub earnings into base, bonus, overtime, commission and other pay based on the earning description on the paystub and estimates the gross monthly pay based on that information. That estimated gross monthly income breakdown is available in the JSON data today and is anticipated to be added to the PDF in 2023. Note that the GSE AUS system does not use the Mastercard estimated monthly income amounts but does its own propriety income calculation and matching to the income amount submitted in the URLA/1003.

15. Can the VOIE — Paystub (with TXVerify) solution identify if the borrower splits their direct deposit into multiple accounts?

Yes. The VOIE — Paystub (with TXVerify) solution will look to find the sum of the net pay from the paystub in any of the accounts that are connected by the borrower. If a split direct deposit situation is found, there will be multiple matching transactions displayed on the report. The success of this depends on the borrower connecting all accounts where they direct deposit their pay. For information on how this works with the AUS programs, please contact your GSE account team.

16. Can the lender access the paystub file uploaded by the borrower?

Yes. The file uploaded by the borrower is available to be retrieved from the Mastercard API by using an asset ID. For SimpleNexus users, the paystub file is available in the borrower tasks section. For Encompass users, the paystub file is available in the eFolder.

17. What ecosystem platforms support VOIE — Paystub (with TXVerify)?

Encompass, Consumer Connect, and SimpleNexus are live today with several others in the works.

18. Can I use the product if it is not supported in the ecosystem platform I use?

Yes. Mastercard has an online “Order Reports” service that is available in the Client Hub, which allows you to send out emails to borrowers to use any of our MVS products. Note that you will need to ensure that the asset report is also ordered through this portal and that you manually update your LOS with the reports from the portal. Reach out to your Mastercard CSM if you wish to adopt this solution.

