

MIDANET® Delivery and Processing Procedures

Chapter 3A

Contents

Topic	Page
Introduction	2
Verifying Data and Documentation	2
Resolving Discrepancies	2
Completing Certification	3
MERS-Registered Mortgages	4

Introduction

The process for certifying Notes through MIDANET® differs slightly from the process for certifying Notes sold through the Selling System. For Selling System deliveries, Custodians certify Notes directly in the system at the loan level. However, for loans delivered through MIDANET®, Custodians must submit certification for all of the loans listed on the Form 1034 or Form 1034A to Freddie Mac via the Form 1034S or Form 1034SM.

Sellers occasionally use independent delivery agents, particularly for bulk or seasoned loan portfolio sales through MIDANET®. If such an agent contacts you or you receive loan data with respect to the Mortgages from a third party, you should ask to see written evidence of their relationship with the Seller, such as a copy of their contract with the Seller or the paragraph in the Freddie Mac Master Commitment that recognizes the agency arrangement. You may rely on the representations of, and documents delivered by, such an agent as if the Seller made them. Contact Document Custodial Operations (DCO) if you have any questions regarding delivery by an agent.

Verify Data and Documentation

The Custodian must verify data and documentation for Mortgages delivered through MIDANET® as it does for Mortgages delivered through the Selling System, except that the process is slightly different.

You must:

- Compare the data elements for all Mortgages from the Form 1034 or 1034A to the Note. For more information regarding each data element, refer to the tables in Chapter 3 of this handbook.
- Verify the documents in accordance with the requirements of Chapter 3 of this handbook and Guide Section 18.6.

Resolving Discrepancies

If you discover data or documentation discrepancies for any of the Mortgages listed on the Form 1034 or 1034A, you must not submit certification to Freddie Mac until all the issues for those loans are resolved.



In the Selling System, if one Mortgage in a contract has discrepancies, it is only that Mortgage that you may not certify; however, for Mortgages certified for MIDANET®, if one Mortgage on the Form 1034 or 1034A cannot be certified, none of the loans can be certified until all discrepancies are resolved.

MIDANET

To resolve discrepancies for MIDANET deliveries, the Custodian must:

- Notify the Seller immediately to resolve the issue(s),
- Return the documentation to the Seller/Service, if necessary,
- Receive written approval from the Seller prior to submitting data corrections to Freddie Mac, and
- Document data corrections directly on the Form 1034S or Form 1034SM prior to submitting certification to Freddie Mac.

You should not execute Form 1034 or 1034A, and should not deliver Form 1034S or 1034SM, until all issues have been resolved.

Completing Certification

Once you have verified the data and documentation and resolved all discrepancies, you must execute the Form 1034/1034A and deliver Form 1034S/1034SM to Freddie Mac. In Form 1034S, the Seller and Custodian each represent and warrant to Freddie Mac that they make the certifications on Form 1034 or 1034A and that each shall be bound by the information and their respective certifications. Delivering Form 1034S to Freddie Mac completes the certification.

Form 1034SM is similar to Form 1034S, but it applies to multiple contracts. You must complete Form 1034SM manually and then e-mail it to Freddie Mac. Certification is complete when Freddie Mac receives the Form 1034SM.



The Form 1034SM is located on our website or contact DCO for an Excel version.
www.freddiemac.com/cim/forms

Although the Custodian delivers the Form 1034 to Freddie Mac to complete certification, the Seller is responsible for ensuring that the Custodian receives the Notes and that all discrepancies and issues are resolved prior to the deadline for certification.

To complete certification, you must:

- Complete and execute the Form 1034 or 1034A,
- Complete Form 1034S, or Form 1034SM for certifying multiple contracts,
- Send one copy of each form to the Seller/Service,
- Send a copy of Form 1034S or 1034SM via fax or email to DCO, and
- Retain the original or an imaged copy of all forms for at least three months from the date of certification.



Although the Custodian faxes the Form 1034S or emails the Form 1034SM to DCO, the Seller is ultimately responsible for ensuring that certification is complete and that DCO receives the Form 1034S or 1034SM in time to meet the requested Funding Date.

See Guide Section 18.6(e).

MIDANET

MERS Registered Mortgages

Each Form 1034 may include both MERS-registered and non-MERS registered Mortgages together. For MERS-registered Mortgages, a field on the Form 1034 will include the MIN. Freddie Mac will notify MERS that we have bought a MERS-registered Mortgage.



The MIN is not required to appear on the Note.

If the Mortgage was closed with MERS as the original mortgagee (a MOM loan), the Seller must inform you that the Mortgage was closed on a security instrument that names MERS as the Mortgagee of Record. In this case, there is no recorded assignment to MERS, and assignments are not needed in subsequent transfers between MERS members.