

Document Release Procedures

Chapter 4

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Document Release Proceedings

Introduction

As Custodian, you are responsible for safeguarding Freddie Mac's Notes. When you receive a Form 1036, Request for Release of Documents, from the Servicer, you are responsible for releasing the requested documents to the Servicer. The Servicer will hold in trust, for Freddie Mac's benefit, all Notes and assignments that you release to the Servicer, which are not "paid and canceled."

You must track the release and, if applicable, return of these documents in accordance with the requirements in the Guide and this Handbook.

Form 1036 Requirements

The Custodian must verify that the [Form 1036](#) contains the following data:

- Name and address of Custodian
- Custodial Agreement number
- Custodian Number
- Mortgage information, including:
 - Freddie Mac loan number
 - Primary Borrower's last name
 - Original Note date
 - Seller/Servicer loan number
 - Property address
- Type of document requested for release (e.g., modifying instrument)
- Reason for document request
- Authorized signature of Servicer, including name, title, and date signed.
- Phone number of individual at the Seller/Servicer requesting the Note
- Email address of individual at the Seller/Servicer requesting the Note

If the form is incomplete or inconsistent with your records, you must contact the Servicer to resolve the issue.

If the Document Custodian verifies that the [Form 1036](#) is complete, the Document Custodian must sign and date the release, indicating the name and title of the signer, and return the form to the Servicer along with the requested document. You must also update your Note tracking system to indicate, at a minimum, the date the document was released and the reason it was released.



If a requested Note is missing or badly damaged, see Chapter 3 of this Handbook on Lost Note Affidavits

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An **electronic or system-generated Form 1036** must contain all of the data elements that appear on the paper form. A single electronic form can be used to request multiple Notes for the same reason, provided that a Note list is attached. A separate electronic form must be submitted for each separate reason. You must record the reason the documents were returned and file the **Form 1036** with the returned documents.

If an electronic **Form 1036** is used, the Custodian must retain it and the list of individuals who have been designated by the Servicer to request the release of the documents electronically. See **Guide Section 18.6** for details on these alternative versions of the **Form 1036** and the required agreement between the Custodian and the Servicer.

Document Release Types

Upon receipt of a properly completed and executed **Form 1036**, you must release the requested documents to the Servicer and retain the original or an imaged copy of the form pursuant to the requirements of **Guide Section 18.6**.

Below are examples of release types:

- Maturity
- Foreclosure
- Recordation of assignment
- Substitution
- Assumption
- Prepayment
- Repurchase
- Other, must include an explanation
- Modification
- Conversion
- New York CEMA

New York Consolidation, Extension and Modification Agreement (“NY CEMA”) Mortgage Note Release Procedures

Servicers may occasionally request release of an original Note and assignments to facilitate refinancing. To consolidate, extend and modify a Mortgage secured by Mortgaged Premises in New York State and owned by Freddie Mac, a Borrower must notify the Servicer of their intention to refinance using a NY CEMA. The servicer must request release in order to prepare the documents needed to facilitate the NY CEMA process.

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We strongly recommend that you make a complete copy of the Notes and assignments that you release in anticipation of a refinancing using NY CEMAs, and we require both you and the Servicer to track all such released documents. The Servicer must notify the Document Custodian when the Note is paid in full or return the released documents if the refinance is cancelled or closing does not occur within 60-days. We suggest that you prompt the Servicer if it has not received either the released Notes and assignments or notice of the payment in full within 45-days after the document release. If the Servicer does not respond within 60-days after the document release, you must contact DCO, and provide the Freddie Mac loan number of the Note that was released, so that we may follow-up with the Servicer and take any necessary action.

Return of Released Documents

If a Note was released to the Servicer and subsequently returned to your custody, you must receive a copy of the [Form 1036](#), if it was in hardcopy, from the Servicer, together with the Note and related documents. You must review the documents to ensure that you have received all of the documents that you released; you may find it helpful to have a complete photocopied set to use for verification. You must then update your note tracking system to reflect return of the documents.

Under no circumstances should the Document Custodian accept a 'substitute' Note or a replacement Note in place of the original that was sent to the Servicer. If any of the data elements have been altered, you receive a copy instead of the original you sent, or supplemental documentation sent with the Note is not returned, i.e. POA, modification, Allonge, etc. you must contact DCO for assistance in resolving the issue. Paid-in-full Notes (e.g., reached maturity, prepaid) must be returned to the Servicer promptly upon receipt of Form 1036 in order to comply with [Guide Section 59.3](#), which requires that statutory timeframes be met. In many states, the Servicer must satisfy the lien in the land records within 30-days and may need the original Note to complete their lien release process.

Control and Safekeeping of Released Documents

You must document the reason for release of all documents except for those released due to maturity, prepayment, or repurchase. You must update the Note tracking system to reflect the date on which documents are returned.

See [Guide Section 18.6\(e\)](#) for more information about the control and safekeeping of released documents.

Retention Period

You must retain the original or imaged copy of the [Form 1036](#) for our inspection for at least three months in either a central location or the related Note file after

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the Mortgage is paid off or the Note is returned to you. As with all documents that contain Borrower information, you must maintain and dispose of [Form 1036](#) in a manner that ensures Borrower confidentiality and privacy. See [Guide Sections 18.6\(e\)](#) and [\(g\)](#).