

# Subsequent Transfers of Servicing and Custody Procedures

## Chapter 5

### Contents

Topic	Page
Introduction	2
General Responsibilities	2
Evidence of Transferee Document Custodian Approval	3
Transferor Document Custodian Responsibilities	3
Transferee Document Custodian Responsibilities	4
Transfers of Servicing of MERS Mortgages	5
Termination of Document Custodial Agreement	6
Extension Approval	6
Changes to Recertification Process	7

# Subsequent Transfers of Servicing and Custody Procedures

---

## Introduction

This chapter provides the requirements and additional guidance necessary to move or recertify Freddie Mac Notes and assignments as part of a Subsequent Transfer of Servicing (TOS) or transfer of custody. It also identifies the roles and responsibilities for all parties:

- Transferor Servicer
- Transferor Document Custodian
- Transferee Servicer
- Transferee Document Custodian
- Freddie Mac

Please refer to [Guide Chapters 2202, 6304, 7101](#) and [8107](#); and [Section 7101.9](#) or consult with the Seller/Servicer, as appropriate, for more information.

 A TOS or transfer of custody requiring Freddie Mac's approval may occur as a result of an organization change to, or merger or acquisition of, a Servicer or Document Custodian. See [Guide Section 2101.14](#) and Chapter 2 of this Handbook for additional information.

 See below for specific handling of MERS Registered Mortgages.

## General Responsibilities

Within 30 days following the Effective Date of Transfer, the Transferor Servicer must deliver an executed [Form 1034T](#), Subsequent Transfer Custodial Certification Schedule, with a loan list to the Transferee Document Custodian, and the Transferor Document Custodian must deliver the Notes, together with any documentation regarding MERS-registered Mortgages and those closed with MERS as the original Mortgagee of record, to the Transferee Document Custodian.

Within 180 days following:

- the Effective Date of Transfer for a TOS, and
- written notice of a transfer for a transfer of custody,

the Transferee Document Custodian must deliver the Form 1034T to Freddie Mac on behalf of itself and the Transferee Servicer. By executing and submitting the Form 1034T, both the Transferor Servicer and Transferor Document Custodian represent and warrant to Freddie Mac that the information regarding the Notes is accurate and that the required certifications have been made.

## Subsequent Transfers of Servicing and Custody Procedures

---



For a TOS where there is no change in Document Custodian, Note recertification is not required, but you must receive and review applicable assignments from the Transferor Servicer prior to submitting the Form 1034T to Freddie Mac and by the recertification due date.

For transfers of custody, the Transferor Servicer must deliver the signed [Form 1034T](#) and a loan list to the Transferee Document Custodian within 30 days following the transfer.

Questions regarding the Document Custodian's role in the transfer process must be directed to the Servicer or Freddie Mac. Questions regarding the approval of a Document Custodian must be directed SF Counterparty Compliance & Eligibility (SF C&E) ([Guide Directory 1](#)) at:

Attn: SF Counterparty Compliance & Eligibility  
Freddie Mac SF C&E  
1551 Park Run Drive  
McLean, VA 22102-3110  
Phone: (571) 382-3434 Opt. 2  
Fax: (866) 743-0087



The Effective Date of Transfer for a Subsequent TOS is always the 16<sup>th</sup> day of the month.



The Transferee and Transferor Document Custodian must receive at least 30 days prior notice from the Servicer or Freddie Mac of a transfer of custody. Freddie Mac can require an immediate transfer.

### Evidence of Transferee Document Custodian Approval

As the Transferor Document Custodian, must verify that Freddie Mac approved the Transferee Document Custodian to hold Freddie Mac Notes and assignments for the Transferee Servicer. A copy of the first page and the signature page(s) of a fully executed [Form 1035](#) evidences this approval. The Transferor Document Custodian must never move the files to another Document Custodian without this evidence.

### Transferor Document Custodian Responsibilities

Within 30 days after the Effective Date of Transfer for a TOS, the Transferor Document Custodian must receive from the Transferor Servicer:

- a copy of the TOS approval letter,
- for a transfer of custody, a copy of the first page and the signature page of a fully executed [Form 1035 for the Transferee Document Custodian](#),
- Form 1034T listing all Notes included in the TOS,
- a properly prepared and recorded assignment for each Note, if applicable.

## Subsequent Transfers of Servicing and Custody Procedures

---

The Transferor Document Custodian must:

- For a TOS, verify that Freddie Mac has approved the TOS and that there is an executed Form 1035 for that Transferee Document Custodian relationship, and
- Forward the [Form 1034T](#) the loan list and the Notes along with the newly prepared assignments, when applicable, to the Transferee Document Custodian.

### Transferee Document Custodian Responsibilities

Within 30-days of the Effective Date of Transfer, the Transferee Custodian must receive from the Transferor Custodian the original [Form 1034T](#) listing all Notes included in the TOS, the Notes and all Note file contents, including all assignments.

The Transferee Document Custodian must:

1. Verify the data on the listing provided with the Form 1034T:
  - Borrower's Name
  - Property address (number and street, city, state)
  - Freddie Mac loan number, if present on the face of the Note; otherwise, validate the Freddie Mac loan number against data in electronic files or records provided by the Transferee Servicer.
2. Review custodial file contents.
3. Verify that the chain of Note endorsements begins with the original payee and ends with an endorsement in blank.
4. Verify that the loan is registered with MERS or that the chain of Note assignments begins with the original payee of the loan and ends with an assignment to the Transferee Servicer. See [Guide Chapter 4201](#) for details.
5. Notify the Transferee Servicer of any discrepancies with the Notes and assignments and must not certify until resolved by the Transferee Servicer.
6. Once all issues are resolved and recertification is complete, forward the original Form 1034T to Freddie Mac within 180 days of the Effective Date of Transfer for a TOS or 180 days of receipt of written notice from the Servicer or Freddie Mac of a transfer of custody. See [Guide Section 7101.9](#) and Chapter 3 of this Handbook.

For a TOS that does not involve a transfer of custody, the Document Custodian may omit items 2 and 3.

## Subsequent Transfers of Servicing and Custody Procedures



The Transferor Document Custodian must cooperate with the Transferee Document Custodian to affect a smooth and orderly transfer. It is the responsibility of the Transferor Document Custodian to work with the Transferor and Transferee Servicers, the Transferee Document Custodian and Freddie Mac, as necessary, to cure all document deficiencies prior to recertification of the Notes.

### Transfers of Servicing of MERS Registered Mortgages

If the TOS is ...	And the Mortgage was ...	Then the Transferee Document Custodian Needs ...
MERS member to MERS member	Recorded in MERS' name via a standard assignment	<ul style="list-style-type: none"> <li>• The original assignments to MERS</li> <li>• Any Intervening Assignments from transfers occurring before the Mortgage was registered on MERS</li> <li>• Notice that the Transferee Servicer will hold the assignments for all its MERS-Registered Mortgages; no assignments are required</li> </ul>
	Originated on a security instrument that named MERS as Mortgagee of Record	<ul style="list-style-type: none"> <li>• Notice from the Transferee Servicer that the Mortgage was closed with MERS as Mortgagee of Record</li> <li>• Any Intervening Assignments from transfers including prior transfers that involved Servicers that were not members of MERS</li> </ul>
Non-MERS member to MERS member	Recorded in MERS' name via a standard assignment	<ul style="list-style-type: none"> <li>• The recorded assignment to MERS (usually from Transferor Servicer to MERS, if the Transferor and Transferee Servicers both agree to forego the assignment from the Transferor to the Transferee Servicer, and the assignment from the Transferee Servicer to MERS)</li> <li>• Any Intervening Assignments</li> </ul>
	Closed on a security instrument that named MERS as original Mortgagee of Record	This scenario would not happen for recently originated mortgages

## Subsequent Transfers of Servicing and Custody Procedures

If the TOS is ...	And the Mortgage was ...	Then the Transferee Document Custodian Needs ...
To MERS member that holds the assignments for MERS-registered Mortgages	Originated on a security instrument that named MERS as original Mortgagee of Record <b>or</b> Recorded in MERS' name via a standard assignment	Notice that the Transferee Servicer will hold the assignments for all its MERS-registered mortgages; no assignments are required
MERS member to non-MERS member	Recorded in MERS' name via a standard assignment <b>or</b> Closed on a security instrument that named MERS as Mortgagee of Record	<ul style="list-style-type: none"> <li>Recorded assignment from MERS to the Transferee Servicer</li> <li>Any Intervening Assignments from servicing transfers that occurred before the Mortgage was registered on MERS</li> </ul>

### Termination of Custodial Agreement

If you receive notice that your [Form 1035](#) is to be terminated, you must forward the Notes and assignments you hold to a Transferee Document Custodian as instructed by the Servicer and/or Freddie Mac. [Form 1036](#), Request for Release of Documents, is not used for this type of Note release. You will receive written notification from Freddie Mac concerning the termination and concerning where the Notes should be delivered.

You are not released from your obligations pursuant to Form 1035 until recertification of the transferred Notes is complete, which may be up to 180 days following physical transfer of the Notes.

### Extension Approval

If recertification of Notes cannot be completed by the 180-day deadline, the Transferee Document Custodian must notify Freddie Mac prior to the deadline and request an extension. The request must include a detailed description of the issues outstanding for each Note, and actions taken to resolve the issue. Your request must also indicate the Seller/Servicer number, contact name, address, phone number and email address. The Servicer is ultimately responsible for delivering the [Form 1034T](#) to us.



The Transfer of Servicing Extension Request and Issues Log is available at <http://www.freddiemac.com/cim/forms.html>.

# Subsequent Transfers of Servicing and Custody Procedures

---

## Changes to Recertification Process

Effective July 1, 2016, Document Custodians will be required to submit a loan listing along with the Extension Request form. The submitter must provide a file containing a listing of loan EXCEPTIONS only, which were a part of the transfer. The loan file should include the following information:

- Freddie Mac loan number
- Borrower's name
- Property address number and street
- Property address city
- Property address state
- Effective date of transfer
- Issue type
- Reviewed (Yes/No)
- Transferee Document Custodian comments
- Status provided by Servicer
- Freddie Mac comments

The extension approval along with the loan listing should be sent to the following e-mail address: [Loan\\_Delivery\\_Funding\\_Ops@freddiemac.com](mailto:Loan_Delivery_Funding_Ops@freddiemac.com).