

## NEW YORK CONSOLIDATION, EXTENSION & MODIFICATION AGREEMENT

Sellers often document refinance Mortgages secured by property located in New York State using a New York Consolidation, Extension and Modification Agreement (the "NY CEMA"). The NY CEMA combines into one set of rights and obligations all the promises and agreements stated in existing Notes and Mortgages secured by the Mortgaged Premises, including, if new funds are advanced to the Borrower at the time of the consolidation, a new Note and Mortgage. The result is that the Borrower has one consolidated loan obligation that is paid in accordance with the terms of the NYCEMA. When documenting a refinance Mortgage using a NY CEMA, you must use a Consolidated Note that must be executed by the Borrower. The consolidated loan terms, as stated in the NY CEMA, are restated in the Consolidated Note.

If you are originating a refinance Mortgage secured by property located in New York State for delivery to Freddie Mac and you are using a NY CEMA, you must use the most current version of the New York Consolidation, Extension and Modification Agreement Single-Family Fannie Mae/Freddie Mac Uniform Instrument (Form 3172). The current version has the (01/01, rev. 05/01) tagline and can be found on Freddie Mac's web site at <http://www.freddiemac.com/uniform/>.

If a NY CEMA is used, you must deliver the complete NY CEMA delivery package listed below, together with a *separate, originally executed* Consolidated Note, to Freddie Mac's Document Custodial Services Department or an eligible document custodian.

Below is additional information concerning New York Consolidation, Extension and & Modification Agreements in the form of Questions and Answers.

## NEW YORK CONSOLIDATION, EXTENSION & MODIFICATION AGREEMENT

QUESTIONS	ANSWERS
<b>What is a New York Consolidation, Extension &amp; Modification Agreement (NY CEMA)?</b>	<p>The NY CEMA is utilized for refinances in lieu of the traditional cancellation of the old Mortgage Note and release of the lien.</p> <p>The NYCEMA enables Borrowers with Mortgages secured by property located in New York to reduce the amount of the Mortgage recording tax paid in connection with the refinance. Tax on the outstanding Mortgage balance has already been paid, so the Mortgage tax is waived on that amount.</p>
<b>May I use the New York Consolidation, Extension &amp; Modification Agreement (NY CEMA) Form 3172 in States other than New York?</b>	No. This form is only used for properties in the State of New York.

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AGREEMENT, *continued***

QUESTIONS	ANSWERS
<p><b>What documents must be delivered for certification with a Mortgage documented using Fannie Mae/Freddie Mac Form 3172, 1/01 or 1/01 (rev.5/01) New York Consolidation, and Extension &amp; Modification Agreement?</b></p>	<ol style="list-style-type: none"> <li>1. New York Consolidation, Extension and Modification (NYCEMA) Form 3172, dated 1/01 (rev. 5/01) or most current version.</li> <li>2. Consolidated Note</li> <li>3. Exhibit “A” (Listing of all Notes &amp; Mortgages being consolidated, extended and modified.</li> <li>4. Exhibit “B” (Property Description)</li> <li>5. Exhibit “C” (Copy of the Consolidated Note)</li> <li>6. Exhibit “D” (copy of the Consolidated Mortgage).</li> </ol>
<p><b>Which NY CEMA documents must be originals signed by the Borrowers and which can be copies?</b></p>	<p><u>The following documents must be originals, signed by the Borrowers:</u></p> <ul style="list-style-type: none"> <li>• Original (Money) Note(s)</li> <li>• Gap (New Money Note), if applicable</li> <li>• Consolidated Note</li> </ul> <p><u>The following documents can be photocopies:</u></p> <ul style="list-style-type: none"> <li>• New York Consolidation, Extension and Modification (NYCEMA) Form 3172</li> <li>• Exhibit “A”</li> <li>• Exhibit “B”</li> <li>• Exhibit “C” (The copy of the Consolidated Note does not have to be a signed copy, although Freddie Mac prefers a signed copy be attached to the NYCEMA.)</li> <li>• Exhibit “D” We don’t require Borrower signatures and the instructions specifically state Borrower signatures are not necessary on the Consolidated Mortgage</li> </ul>
<p><b>Must the Exhibit designations (“A”, “B”, “C” and “D”) appear at the top of the each respective document?</b></p>	<p>Though it is Freddie Mac’s preference that the Exhibit designations appear at the top, center of the each respective document, this is not a requirement. As such, the Exhibit designations can appear at the bottom, center of the document.</p>
<p><b>What is the current version of the New York Consolidation, Extension &amp; Modification Agreement (Form 3172)?</b></p>	<p>Form 3172, dated <b>1/01 (rev. 5/01)</b></p>
<p><b>What are the applicable Uniform Notes to be used for NY CEMA Consolidated Notes?</b></p>	<p>The Consolidated Note must be the current version of the applicable Single Family Fannie Mae/Freddie Mac Uniform Note (e.g., Forms 3232, 3501, 3504, or 3514 or whatever is the permitted Note form for the type of Mortgage you are originating).</p>

**NEW YORK CONSOLIDATION, EXTENSION & MODIFICATION AGREEMENT, continued**

QUESTIONS	ANSWERS
<p><b>Is there specific language for NY CEMAs that must appear on the Consolidated Note, in addition to what generally appears on the Uniform Note?</b></p>	<p>Yes. Consolidated Notes dated 05/01/2001 or later must have the following language inserted at the top of the document:</p> <p><b>Fixed Rate Notes:</b> CONSOLIDATED NOTE This Note amends and restates in their entirety, and is given in substitution for, the Notes described in Exhibit A of the New York Consolidation, Extension, and Modification Agreement dated the same date as this Note.</p> <p><b>Adjustable Rate Notes:</b> CONSOLIDATED ADJUSTABLE RATE NOTE This Note amends and restates in their entirety, and is given in substitution for, the Notes described in Exhibit A of the New York Consolidation, Extension, and Modification Agreement dated the same date as this Note.</p> <p><b>Balloon Notes:</b> CONSOLIDATED BALLOON NOTE This Note amends and restates in their entirety, and is given in substitution for, the Notes described in Exhibit A of the New York Consolidation, Extension, and Modification Agreement dated the same date as this Note.</p>
<p><b>Does the new original Consolidated Note have to be signed?</b></p>	<p>Yes The Consolidated Note is states the terms and conditions for repayment of the borrower’s consolidated indebtedness.</p>
<p><b>Does the NY CEMA Exhibit “C,” the copy of the Consolidated Note, have to be a signed copy?</b></p>	<p>No, although it is our preference that the Exhibit “C” copy of the Consolidated Note be a signed copy.</p>
<p><b>Should the Custodian make a copy of the Note when it released the Note to the Seller/Service for origination of a NY CEMA?</b></p>	<p>For Notes released in connection with origination of a new NY CEMA, we suggest that you make a complete copy of the Note before the Custodian releases it. If the new NY CEMA doesn’t close, the Seller must return to the Custodian all released documents and Custodian must ensure that all that were released document are returned.</p>

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QUESTIONS	ANSWERS
<p><b>Is there a timeframe in which the Custodian must follow-up on documents released to the Servicer for origination of a Mortgage using a NY CEMA?</b></p>	<ul style="list-style-type: none"> <li>▪ For New York refinances that will be documented by NY CEMAs, we recommend that the Custodian follow-up 45 days after the release.</li> <li>▪ In the Document Custody Handbook Job Aids we provide a draft of a NYCEMA Reminder Letter. Go to our website (<a href="http://www.freddiemac.com/cim">www.freddiemac.com/cim</a>) and select Training and then Job Aids. The reminder letter is Job Aid # 24.</li> <li>▪ The paid in full or the original Note must be returned to the Custodian within the specified time from if the new Mortgage is not closed.</li> </ul>
<p><b>If documents are released in connection with the origination of a new Mortgage using a NY CEMA, what is the deadline to complete the NY Consolidation, Extension and Modification process?</b></p>	<ul style="list-style-type: none"> <li>▪ The Consolidation, Extension and Modification process must be completed within 60 days after the Seller/Servicer receives the requested original Note and assignments from the Custodian.</li> </ul>
<p><b>Does the Consolidated Note have to be endorsed?</b></p>	<ul style="list-style-type: none"> <li>▪ Yes. We require that each Note contain a complete chain of endorsements.</li> </ul>
<p><b>When transmitting loan data for NY CEMA loans, what is the correct Note Date? Is it the date of the original Note or the date of the Consolidation, Extension and Modification Agreement?</b></p>	<ul style="list-style-type: none"> <li>▪ The correct date to report as the Note Date is the date of the Consolidation, Extension and Modification Agreement.</li> </ul>

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QUESTIONS	ANSWERS								
<p><b>Is there specific language that must be inserted in the NY CEMA, when originating a NY CEMA transaction with MERS as the Original Mortgagee of Record?</b></p>	<ul style="list-style-type: none"> <li>• Yes, Freddie Mac currently provides authorized language for MERS in Exhibit 5 of the <i>Freddie Mac Single-Family Seller/Service Guide</i>, on page E5-25, which requires a Seller insert the following language in the NY CEMA:</li> </ul> <p><b>MERS as Original Mortgage of Record ("OMR")</b> -- Originators must make the following revisions to the New York Consolidation, Extension, and Modification Agreement, as indicated when a loan will be registered with Mortgage Electronic Registration Systems, Inc. ("MERS") and the originators elect to name MERS as OMR, solely as nominee for the Lender named in the Security Instrument and the Note:</p> <p>The New York Consolidation, Extension, and Modification Agreement must be revised by adding a new definition (E) as follows:</p> <p align="center"><b>"MERS"</b> is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of PO Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS. FOR PURPOSES OF RECORDING THIS MORTGAGE, MERS IS THE MORTGAGEE OF RECORD.</p> <p><b>AND</b>, by renumbering the remaining definitions as required.</p> <p><b>ADDITIONALLY</b>, a Seller must add MERS to the signature lines at the end of the New York Consolidation, Extension, and Modification Agreement, as follows:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">_____</td> <td style="width: 50%; text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">Lender</td> <td style="text-align: center;">Borrower</td> </tr> <tr> <td style="width: 50%; text-align: center;">_____</td> <td style="width: 50%; text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">Mortgage Electronic Registration Systems, Inc -- Mortgagee</td> <td style="text-align: center;">Borrower</td> </tr> </table>	_____	_____	Lender	Borrower	_____	_____	Mortgage Electronic Registration Systems, Inc -- Mortgagee	Borrower
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