

Certification prior to allocation provides Sellers the option to certify loans before they are allocated to a Cash, Guarantor or MultiLender Swap contract. This option:

- Allows loans to be certified well in advance of settlement
- Helps you leverage shorter delivery periods for improved pricing using certified loans through the cash execution

**Note:** Sellers with Warehouse Lender relationships are not eligible for the Certification Prior to Allocation option because Warehouse Lenders require an executed Form 996E (Warehouse Provider Release and Transfer form). The Form 996E can only be issued if there an existing Investor Contract Identifier.

This job aid provides you with information on how to complete the certification prior to allocation option and the steps to take after the loan is certified. To use the certification prior to allocation option:

- Complete loan data must reside in the selling system,
- The Loan Reference Product must be labeled, and
- Critical edits must be cleared.

The Seller can still request a certification review due date with this option. The FHLMC Ln # is automatically assigned when you build Form 1034E, Custodial Certification Schedule – Detailed.

## Steps to Complete Certification Prior to Allocation

To complete certification prior to allocation, you must first enter your settlement details. Entering settlement details is the process of selecting an unallocated loan or a group of unallocated loans to be tagged with a specific Servicer and Custodian. If you have a default Servicer Identifier number and a default Custodian (one Servicer Identifier and one Custodian) skip to Step 8. Otherwise, begin with Step 1 below to enter your settlement details.

1. From the selling system’s left navigation bar, select **Enter Settlement Details**. The Enter Settlement Details: Search screen displays.

The screenshot shows the 'Selling' system interface for 'Enter Settlement Details: Search'. A left navigation bar is highlighted with a circled '1' pointing to 'Enter Settlement Details'. The main search form includes fields for 'Loan Created Date', 'Loans' (with 'Unallocated Loans' selected and circled '2'), 'Execution Option', 'Investor Contract Identifier', 'Pool #', 'Wire Instructions', 'Warehouse Lender', 'Requested Settlement Date', 'Seller Loan Identifier', 'Loan Reference Product Label' (with '15-Year Fixed Rate Conventional' selected and circled '3'), 'Interest Rate', and 'Custodian'. At the bottom, there are checkboxes for 'Modified Loan' and 'Converted Loan', and a 'Search' button circled '4'.

2. Select **Unallocated Loans**.
3. Enter search criteria to locate loan(s) – either the Seller Loan Identifier, Loan Reference Product Label or Interest Rate.
4. Click **Search**. The Enter Settlement Details: Un-Allocated screen displays with a list of loans matching the search criteria entered.

To update loan details, select the appropriate information to update (e.g. Custodian, Servicer Identifier). Next, select your loans and click update loans.

Servicer Identifier    Custodian

Sort by clicking on header:

	Seller Loan Identifier ↓	Servicer Identifier	Custodian	Loan Reference Product Label	Interest Rate
<input type="checkbox"/>	ASDASDASD	121898	9999999	15-Year Fixed Rate Conventional	3.750%
<input type="checkbox"/>	E15FX100			15-Year Fixed Rate Conventional	3.500%
<input type="checkbox"/>	E2ECLNSC-0091			15-Year Fixed Rate Conventional	4.500%
<input type="checkbox"/>	E2EC_09			15-Year Fixed Rate Conventional	4.500%
<input type="checkbox"/>	E2EC_LNAMIN2UNLP_010			15-Year Fixed Rate Conventional	4.500%
<input type="checkbox"/>	E2EC_LNSCENARIO-010			15-Year Fixed Rate Conventional	4.500%
<input type="checkbox"/>	E2EC_LNSCENARIO_009			15-Year Fixed Rate Conventional	4.500%
<input type="checkbox"/>	E2EC_LNSCENARIO_010			15-Year Fixed Rate Conventional	4.500%
<input type="checkbox"/>	E2EC_NOCASHREFI_009			15-Year Fixed Rate Conventional	4.500%
<input type="checkbox"/>	FGDFGDFG	121898	9999999	15-Year Fixed Rate Conventional	4.500%
<input type="checkbox"/>	LN-009	121898	9999999	15-Year Fixed Rate Conventional	3.750%
<input type="checkbox"/>	LN-010	121898	9999999	15-Year Fixed Rate Conventional	3.750%
<input type="checkbox"/>	LN-011	121898	9999999	15-Year Fixed Rate Conventional	3.750%
<input type="checkbox"/>	LN-012			15-Year Fixed Rate Conventional	3.750%
<input type="checkbox"/>	TST10010647473			15-Year Fixed Rate Conventional	3.500%

Select Page     Select All 15 Loans    Total Selected: 0

Displaying: 1-15 of 15 Loans    Loans Per Page: 25

Update Loans

5. At the top of the page, enter a **Servicer Identifier** and a **Custodian**.
6. From the listing of loans, select the box next to the loan(s) to include for certification. You can select specific loans, a page of loans or all loans by clicking the applicable boxes.
7. Click **Update Loans**. A message displays indicating which loans have been successfully updated.

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**Selling**  
Enter Settlement Details: Results

The following loans have been successfully updated:

Seller Loan Identifier	Servicer Identifier	Custodian	Loan Reference Product Label	Interest Rate
ASDASDASD	121898	9999999	15-Year Fixed Rate Conventional	3.750%
FGDFGDFG	121898	9999999	15-Year Fixed Rate Conventional	4.500%
LN-009	121898	9999999	15-Year Fixed Rate Conventional	3.750%
LN-010	121898	9999999	15-Year Fixed Rate Conventional	3.750%
LN-011	121898	9999999	15-Year Fixed Rate Conventional	3.750%

<< Back To Update Loans  
<< Back To Search

8. From the selling system's left navigation bar, select **Create/View Certification Forms**. The Create/View Certification Forms: Search screen displays.

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**Selling**  
Create/View Certification Forms: Search

9

First select the type of form you would like to build or view.

- Bill of Sale and Form 1034E -- Delayed Certification (also creates the Custodial Certification Schedule)
- Form 1034E -- Custodial Certification Schedule
- Note Delivery Cover Sheet
- Form 996E -- Warehouse Provider Release And Transfer
- Cash
- Guarantor/Multi-Lender

Then, find eligible loans by specifying one or more search criteria:

Loan Created Date: From  to

Loans:  Allocated Loans  Unallocated Loans

Investor Contract Identifier: From  to  and/or  All Accepted Contracts

Pool #:

Requested Settlement Date: From  to  and/or  Settlement ASAP

Seller Loan Identifier:

Freddie Mac Loan Number:

Loan Reference Product Label:

Interest Rate: From  % to  %

Warehouse Lender:

Custodian:

Loan Closing Process :  Both  eMortgage Loans  Paper Loans

Standard Searches will not include Modified or Converted Loans. To include them, please check the applicable boxes below

Modified Loan  
 Converted Loan

8

10

11

12

13

**Settlement**  
Review Certification Issues  
Enter Settlement Details  
Create/View Certification Forms  
Record Warehouse Lender Release  
View Warehouse Lender Release  
View Settlement Statements  
Transfer Servicing Instructions

9. At the top of the page, select **Form 1034E – Custodial Certification Schedule**.
10. Next, select **Unallocated Loans**. Fields that are not applicable for unallocated loans will grey out and not be accessible.
11. Enter search criteria to locate the unallocated loan(s) you want included on the Form 1034E – either the Seller Loan Identifier, Freddie Mac Loan Number, Loan Reference Product Label or Interest Rate.
12. Select **Paper Loans** in the Loan Closing Process field.
13. Click **Build Form**. The Create/View Certification Forms: Build screen displays with all the eligible loans matching the search criteria entered.

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**Selling**  
Create/View Certification Forms: Build

Choose the loans you would like to appear on the 1034E -- Custodial Certification Schedule Form. Form 1034E can be Built, Viewed or Printed in a particular sort order only when sorting on these columns: Investor Contract Identifier, Pool #, Seller Loan Identifier, Freddie Mac Loan Number, or Primary Borrower Name. e Indicates eMortgage

Update Certification Due Dates to:  (mm/dd/yyyy)

Sort by clicking on header:

<input type="checkbox"/>	<a href="#">Investor Contract Identifier</a>	<a href="#">Pool #</a>	<a href="#">Seller Loan Identifier</a>	<a href="#">Freddie Mac Loan Number</a>	<a href="#">Primary Borrower Name</a>	<a href="#">Requested Settlement Date</a>	<a href="#">Custodian</a>	<a href="#">Certification Due Date</a>	<a href="#">Loan Reference Product Label</a>	<a href="#">Interest Rate</a>
<input type="checkbox"/>	45000259		SIT_LNSC_9_1	400003962	FINANCINGAMOUNT, SECONDARY	ASAP	PE_BANK 1000518, FREDDIE CITY, FL		15-Year Fixed Rate Conventional	4.500%
<input type="checkbox"/>	55000281		TEST123	400004473	P-LNAME, P-FNAME	ASAP	PE_BANK 9999999, FREDDIE CITY, TX		15-Year Fixed Rate Conventional	3.750%
<input type="checkbox"/>	55000747	J10839	99990090	400005436	DOE, JONATHON	03/15/2012	PE_BANK 9999999, FREDDIE CITY, TX		15-Year Fixed Rate Conventional	3.625%
<input type="checkbox"/>	55000747	J10839	99998290	400005437	DOE, JAYNE	03/15/2012	PE_BANK 9999999, FREDDIE CITY, TX		15-Year Fixed Rate Conventional	3.625%
<input type="checkbox"/>	55000747	J10839	99997690	400005438	DOE, JUANITA	03/15/2012	PE_BANK 9999999, FREDDIE CITY, TX		15-Year Fixed Rate Conventional	3.625%
<input type="checkbox"/>	55000747	J10839	99997991	400005439	DOE, JUAN	03/15/2012	PE_BANK 9999999, FREDDIE CITY, TX		15-Year Fixed Rate Conventional	3.625%
<input type="checkbox"/>	55000747	J10839	99991590	400005440	DOE, JOHN	03/15/2012	PE_BANK 9999999, FREDDIE CITY, TX		15-Year Fixed Rate Conventional	3.625%
<input type="checkbox"/>	55000747	J10839	99993590	400005441	DOE, JOHN	03/15/2012	PE_BANK 9999999, FREDDIE CITY, TX		15-Year Fixed Rate Conventional	3.625%
<input type="checkbox"/>	55000747	J10839	99997990	400005442	DOE, JOHN	03/15/2012	PE_BANK 9999999, FREDDIE CITY, TX		15-Year Fixed Rate Conventional	3.625%
<input type="checkbox"/>	55000747	J10839	99994090	400005443	DOE, JON	03/15/2012	PE_BANK 9999999, FREDDIE CITY, TX		15-Year Fixed Rate Conventional	3.625%
<input type="checkbox"/>	55000747	J10839	99990690	400005444	DOE, JANE	03/15/2012	PE_BANK 9999999, FREDDIE CITY, TX		15-Year Fixed Rate Conventional	3.625%

Select Page  Select All 11 Loans Total Selected: 0

Displaying: 1 - 11 of 11 Loans Loans per page: 50

14. At the top of the screen, enter a certification complete due date in the **Update Certification Due Dates to:** field.
15. Select the loans to include on the Form 1034E.

16. Click **Update & Build Form** at the top of the screen. The final Form 1034E displays with the assigned Certification Batch Identifier and FHLMC Ln #s

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**1034E -- Custodial Certification Schedule**

**Custodial Certification Schedule**

Custodian Number: 9999999  
 Custodian: PE\_BANK  
 Certification Batch Identifier: 816091019  
 Prepared by: Allrole3,Freddie  
 Earliest Certification Due Date: 5/21/2012

Date of Print: 5/4/2012  
 Seller Identifier: 121898  
 Seller Name: PE\_BANK1  
 Investor Contract Identifier: 55000281 , 55000747

**Total Loans (Notes): 5** **Total Note Amount: \$1,393,000.00**

FHLMC Ln #	Note Date	Street Address	City Name
400004473	1/1/2012	8000 Jones Branch Dr	McLean
Seller Ln Id:	Service Id:	Note Rate Percent***:	State Code:
TEST123	**	3.750 %	CA
MERS MIN Id:	Note Amt:	Sched First Pymt Date:	Int P&I Pymt Amt***:
	\$ 225,000.00	2/1/2012	\$ 1,636.25
Instr Contract Id:	Pool #:	Ln Maturity Date:	Primary Borrower**:
55000281		1/1/2027	P-LNAME, P-FNAME

Once you have the final Form 1034E, print the form. Then, attach all the applicable forms and documents and forward to the Custodian for certification. For information on the certification process refer to the Learning Center's [Selling System - Document Custody webpage](#).

### Steps to Complete After Loans Are Certified

After the loans are certified, complete the following:

1. Take out a contract.
2. Allocate certified loans to that contract.
3. Re-evaluate the loans against the contract terms. If any new edits arise, you must clear all critical edits.
4. Enter settlement details. If you have a cash contract and do not want ASAP funding, you must select a specific funding date and follow your normal funding process flow for the execution path selected (Cash or Guarantor) to complete the sale to Freddie Mac.

### Legal disclaimer:

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