Overview of the New Framework:
Selling Representations and Warranties
Under the new selling rep & warranty framework, Freddie Mac will not exercise its remedies for breaches of certain representation and warranty requirements related to underwriting the borrower, the property, and the project in which the property is located if the mortgage meets certain eligibility requirements and an acceptable borrower payment history has been established.

Under this framework Sellers continue to be responsible for underwriting and delivering investment-quality mortgages according to the requirements of their Purchase Documents.

For the life of the loan, Sellers are responsible for certain representation and warranties even if a mortgage has an acceptable borrower payment history and meets the other eligibility requirements under the new framework.

For more information on Freddie Mac's selling representation and warranty framework, please refer to Guide Bulletin 2012-18.

The framework modifies our approach in enforcing certain representation and warranty requirements. This new approach helps provide more certainty and transparency in doing business with Freddie Mac, addressing concerns around loan repurchase risk.

To be eligible for the new selling representation and warranty framework, a mortgage must:

- Be a conventional mortgage delivered to Freddie Mac through a flow purchase contract.
- Have a Freddie Mac settlement date on or after January 1, 2013.
- Have an acceptable payment history.
- Not be a mortgage that Freddie Mac and the Seller has agreed is subject to any credit enhancement other than primary mortgage insurance.
- Not have any outstanding request for a repurchase, a repurchase alternative or a make-whole.

Once a mortgage meets the eligibility requirement, Freddie Mac will not exercise its remedies for any breach of certain representations and warranties.

For more information on life of loan exclusions, please refer to Guide Bulletin 2012-18.
Acceptable Payment History
(must meet the following)

RELIEF REFINANCE MORTGAGES

- Freddie Mac Settlement Date (on or after Jan 1st, 2013)
- 12 Months
  - No 30-day or greater delinquencies
  - OR
  - No more than two 30-day or greater delinquencies AND
  - No 60-day or greater delinquencies during the first 36 months
  - Current as of the 60th month

ALL MORTGAGES EXCEPT RELIEF REFINANCE MORTGAGES

- Freddie Mac Settlement Date (on or after Jan 1st, 2013)
- 36 Months
  - No 30-day or greater delinquencies
  - OR
  - No more than two 30-day or greater delinquencies AND
  - No 60-day or greater delinquencies during the first 36 months
  - Current as of the 60th month

Legal disclaimer: This document is not a replacement or substitute for the information found in the Single-Family Seller/Servicer Guide, and/or terms of your Master Agreement and/or Master Commitment.