

Refer to the following checklist when submitting a Freddie Mac Flex Modification® for settlement. If you have any questions, contact Customer Support at 800-FREDDIE.

For additional information about the Flex Modification, refer to *Single-Family Seller/Servicer Guide* (Guide) Chapter 9206.

<input checked="" type="checkbox"/> <b>Take the following actions to submit a Flex Modification for settlement:</b>	
<input type="checkbox"/>	<p>Complete the Loan Modification Settlement screen in Workout Prospector® and transmit the modification for settlement via Workout Prospector no later than the fourth business day of the month in which the first modified payment is due.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Ensure that the DDLPI and Current UPB (pre-modification) entered on the Loan Modification Settlement screen matches the unpaid principal balance (UPB) and DDLPI reported to Freddie Mac as of the last accounting cycle cutoff in the month prior to the first modified payment due date.</li> </ul> <p>Note: For loans sold to us under the Super Accelerated Remittance Cycle option (Super ARC), ensure that you enter the actual cash UPB per your in-house systems. This amount will be different from the current UPB reported to Freddie Mac as of the last accounting cycle cutoff in the month prior to the first modified payment due date.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Ensure that the data on the Loan Modification Settlement screen matches the terms of the Modification Agreement and that those terms comply with the underwriting requirements applicable to the modification.</li> </ul> <p>The terms on the Loan Modification Settlement screen in Workout Prospector must match the terms of the Modification Agreement the borrower signs. If there is a discrepancy, contact your Freddie Mac Representative to discuss a resolution.</p> <p>Refer to the <a href="#">Workout Prospector® Users' Guide</a> for additional information about the Loan Modification Settlement screen.</p>

<input checked="" type="checkbox"/> <b>Additional Activities:</b>	
<input type="checkbox"/>	Ensure that the borrower has made all three trial period payments in the month in which each payment was due.
<input type="checkbox"/>	Ensure the Modification Effective Date was advanced one month if an interim month was used.
<input type="checkbox"/>	<p>After you submit the modification to Freddie Mac for settlement, monitor its status via the reports available on the Modifications tile under the Manager Series Reports section of the Servicer Performance Profile.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Modifications that are scheduled for processing will appear on the <i>Modifications Pending Update</i> report.</li> <li><input type="checkbox"/> Modifications that have been processed will appear on the <i>Modification Status Overview</i> report. Do not report your monthly loan-level transaction based on the modified terms of the mortgage or remit modified payments after the Trial Period ends until Freddie Mac notifies you that we have updated our systems with the modified terms.</li> </ul>

**Additional Activities, continued:**

<input type="checkbox"/>	<p>Ensure that upon receipt of any trial period payment, you place the funds in the borrower’s suspense account. When the aggregated amount equals or exceeds the oldest delinquent payment due, you must apply the funds to the borrower’s account to pay the oldest delinquent payment due in accordance with the Note and Security Instrument, and any modification agreement, if applicable.</p> <p>You must reinstate an inactive mortgage upon posting the oldest delinquent payment due. To do this:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Comply with all reporting and remitting requirements outlined in Guide Section 9206.18.</li> <li><input type="checkbox"/> Report the reinstatement via EDR (default action code 20) if you reported the mortgage as 30 days or more delinquent or in foreclosure in the prior month.</li> </ul>
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