

# Resolving Loan-Level Edits Quick Reference Guide

Draft Version for Use with Customer Integration  
Testing (CIT) Only

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## Overview

When we receive your loan-level transactions, we compare the data you reported to what we expected, and notify you of any discrepancies via our daily edit reports. Each discrepancy (or edit) is listed on our daily edit reports with an edit code that identifies the discrepancy. We expect you to resolve the edits listed on your daily edit reports and ensure that you have given us accurate information. To prevent the same edits from recurring, improve your performance, and avoid compensatory fees, determine and correct the root cause before reporting the loan in subsequent cycles.

This quick reference guide provides charts containing edit and warning codes that apply to both missing loans and transaction processing.

## Reporting

At a minimum, you must report one loan-level transaction for every Freddie Mac loan in your portfolio by the P&I Determination Date, regardless of any activity or inactivity. You are required to report any principal collected by the P&I Determination Date, which we will draft in the current month. You must continue to report any principal collected after the P&I Determination Date, which we will draft in the following month. A minimum of one full monthly principal payment (or increment thereof) is required to advance the DDLPI. For active loans, additional principal reported will be applied as a curtailment. We will not accept curtailments on delinquent loans. We apply the industry standard amortization formula to ensure that sufficient principal reduction is reported to amortize the loan.

**Important:** Continue to report after the P&I Determination Date if there is additional activity for the accounting cycle. You may report through end of month (EOM) plus one business day.

## Exception Codes and Transaction Types

Exception Code: Blank (P&I Newly Funded Mortgage)	
<b>Description</b>	Mortgage we funded during the accounting cycle.
<b>Reporting Due Date</b>	On or before the P&I Determination Date.
<b>Draft Date</b>	The second business day after the P&I Determination Date.

Exception Code: Blank (P&I Existing and/or Active Mortgage)	
<b>Description</b>	Current or delinquent mortgage that has not been inactivated and is not in foreclosure.
<b>Reporting Due Date</b>	On or before the P&I Determination Date.
<b>Draft Date</b>	The second business day after the P&I Determination Date.

Exception Code: Blank (P&I Inactive Mortgage)	
<b>Description</b>	Mortgage inactivated in a previous accounting cycle. No principal or interest is due unless it is being partially reinstated.
<b>Reporting Due Date</b>	On or before the P&I Determination Date.
<b>Draft Date</b>	No funds are due unless it is partially reinstated.

Exception Code: 40 (Inactivation)	
<b>Description</b>	Mortgage that is in its fourth cycle of delinquency. If you do not report an inactivation, we will inactivate the mortgage.
<b>Reporting Due Date</b>	On or before the P&I Determination Date.
<b>Draft Date</b>	The second business day after the P&I Determination Date.

<b>Exception Code: 50 (Full Reinstatement)</b>	
<b>Description</b>	Mortgage inactivated in a previous accounting cycle which has been brought current. May include mortgages that have a completed workout or loan modification.
<b>Reporting Due Date</b>	On or before the P&I Determination Date.
<b>Draft Date</b>	The second business day after the P&I Determination Date.

<b>Exception Code: 60 (Payoff – Matured)</b>		
<b>Description</b>	Mortgage was paid in full during the accounting cycle.	
<b>Reporting Due Date</b>	Within two business days of receipt of funds.	
<b>Draft Date</b>	<b>If the payoff is successfully reported:</b>	<b>Then:</b>
	Within two business days of the exception date	We will draft the prior accounting cycle's ending UPB and exception interest on the fifth business day after the payoff date.
	More than two business days after the exception date (which is considered late)	We will draft the prior accounting cycle's ending UPB and exception interest on the second business day after the reported payoff is successfully processed.

<b>Exception Code: 61 (Payoff – Prepaid)</b>		
<b>Description</b>	Mortgage was paid in full during the accounting cycle.	
<b>Reporting Due Date</b>	Within two business days of receipt of funds.	
<b>Draft Date</b>	<b>If the payoff is successfully reported:</b>	<b>Then:</b>
	Within two business days of the exception date	We will draft the prior accounting cycle's ending UPB and exception interest on the fifth business day after the payoff date.
	More than two business days after the exception date (which is considered late)	We will draft the UPB due as reported in the previous accounting cycle and the exception interest on the second business day after the reported payoff is successfully processed.

Exception Code: 65 (Payoff – Repurchase)		
<b>Description</b>	You are repurchasing (buying back) a mortgage.	
<b>Reporting Due Date</b>	<b>If the repurchase is:</b>	<b>Then report:</b>
	Voluntary	Within 30 days of our notification approving your repurchase request.
	Involuntary and pursuant to Guide Section 3602.2	Within 30 days of the repurchase request.
	Involuntary and pursuant to Guide Section 3602.3	Within 60 days of the repurchase request.
<b>Draft Date</b>	<b>If the repurchase is successfully reported:</b>	<b>Then:</b>
	Within two business days of the exception date	We will draft the UPB due as reported in the previous accounting cycle and exception interest on the fifth business day after the payoff date.
	More than two business days after the exception date (which is considered late)	We will draft the UPB due as reported in the previous accounting cycle and the exception interest on the second business day after the reported payoff is successfully processed.

Exception Code: 66 (Payoff – Conversion)	
<b>Description</b>	The borrower is exercising the conversion option for a convertible adjustable-rate mortgage (ARM) sold under the repurchase program.
<b>Reporting Due Date</b>	Within five business days of the exception date. (The exception date may be no later than the deadline specified in the contract.)
<b>Draft Date</b>	Five business days after the exception date.

Exception Code: 67 (Payoff – Short Sale, Charge-off, Make-Whole)		
<b>Description</b>	A short sale or make-whole pre-foreclosure sale was settled, or a charge-off was completed.	
<b>Reporting Due Date</b>	Within two business days of receiving the settlement proceeds.	
<b>Draft Date</b>	We will draft the ending UPB and delinquent and exception interest on the fifth business day after the exception date.	
	<b>If:</b>	<b>Then:</b>
	The short sale settles in Freddie Mac systems on or before the Payoff Draft Determination Date	Charge-off adjustments will be reflected in the <i>Draft Report</i> on the same day as the payoff draft.
	If the short sale settles in Freddie Mac systems after the Payoff Draft Determination Date	The charge-off adjustment will be reflected in the <i>Draft Report</i> on the second business day after the short sale settles in Freddie Mac systems. <b>Note:</b> Full proceeds will be drafted if the short sale is settled in our system after the Payoff Draft Determination Date.

Exception Code: 70 (Transfer to REO)			
<b>Description</b>	Freddie Mac has acquired the property through foreclosure or a deed-in-lieu of foreclosure.		
<b>Reporting Due Date</b>	On or before the P&I Determination Date.		
<b>Draft Date</b>	No funds are due.		
	<b>If the mortgage was:</b>	<b>And:</b>	<b>Then:</b>
	Inactive as of the end of the accounting cycle prior to the foreclosure	Was successfully reported as an REO on or before the P&I Determination Date	A credit for the reimbursement of advanced interest (calculated from the DDLPI up to, but not including, the month the Servicer inactivated the mortgage), if applicable, will be reflected in the current accounting cycle's <i>Draft Report</i> .
		Was successfully reported as an REO after the P&I Determination Date	A credit for the reimbursement of advanced interest (calculated from the DDLPI up to, but not including, the month the Servicer inactivated the mortgage), if applicable, will be reflected in the next accounting cycle's <i>Draft Report</i> .
	Active as of the end of the accounting cycle prior to the foreclosure	Was successfully reported as an REO on or before the P&I Determination Date	A credit for the reimbursement of advanced interest (calculated from the DDLPI through the end of the previous accounting cycle), if applicable, will be reflected in the current accounting cycle's <i>Draft Report</i> .
	Was successfully reported as an REO after the P&I Determination Date	A credit for the reimbursement of advanced interest (calculated from the DDLPI through the end of the previous accounting cycle), if applicable, will be reflected in the next accounting cycle's <i>Draft Report</i> .	

Exception Code: 71 (Third-Party Foreclosure Sale)	
<b>Description</b>	The property was purchased by a third party at the foreclosure sale.
<b>Reporting Due Date</b>	Within two business days of receipt of funds. (Note that the exception date is the date of the foreclosure sale.)
<b>Draft Date</b>	We will draft the prior accounting cycle's ending UPB and the exception and delinquent interest on the fifth business day after the reported transaction is successfully processed in loan-level reporting.

Exception Code: 72 (FHA/VA Foreclosure/Conveyance)			
<b>Description</b>	A claim has been filed with the FHA or VA on a property that did not sell at foreclosure sale.		
<b>Reporting Due Date</b>	On or before the P&I Determination Date.		
<b>Draft Date</b>	No funds are due.		
	<b>If the mortgage was:</b>	<b>And:</b>	<b>Then:</b>
	Inactive as of the previous accounting cycle	Was successfully reported as an FHA/VA conveyance on or before the P&I Determination Date	A credit for the reimbursement of advanced interest (calculated from the DDLPI up to, but not including, the month the Servicer inactivated the mortgage), if applicable, will be reflected in the current accounting cycle's <i>Draft Report</i> .
		Was successfully reported as an FHA/VA conveyance after the P&I Determination Date	A credit for the reimbursement of advanced interest (calculated from the DDLPI up to, but not including, the month the Servicer inactivated the mortgage), if applicable, will be reflected in the next accounting cycle's <i>Draft Report</i> .
	Active as of the previous accounting cycle	Was successfully reported as an FHA/VA conveyance on or before the P&I Determination Date	A credit for the reimbursement of advanced interest (calculated from the DDLPI through the end of the previous accounting cycle), if applicable, will be reflected in the current accounting cycle's <i>Draft Report</i> .
Was successfully reported as an FHA/VA conveyance after the P&I Determination Date		A credit for the reimbursement of advanced interest (calculated from the DDLPI through the end of the previous accounting cycle), if applicable, will be reflected in the next accounting cycle's <i>Draft Report</i> .	

Exception Code: 73 (FHA/VA Third-Party Foreclosure Sale)	
<b>Description</b>	The property was purchased by a third party at the foreclosure sale.
<b>Reporting Due Date</b>	Within two business days of receipt of funds. (Note that the exception date is the date of the foreclosure sale.)
<b>Draft Date</b>	We will draft the prior accounting cycle's ending UPB and the exception and delinquent interest on the fifth business day after the reported transaction is successfully processed in loan-level reporting.

Exception Code: 80 (Balance Correction)	
<b>Description</b>	Mortgage on which the ending gross UPB is higher than the beginning gross UPB. <b>Note:</b> Reversals greater than \$3,000 are subject to Freddie Mac approval.
<b>Reporting Due Date</b>	On or before the P&I Determination Date.
<b>Draft Date</b>	The second business day after the P&I Determination Date.

Exception Code: 91 (P&I Recast)	
<b>Description</b>	The recalculation of the monthly principal and interest payment that may occur when a borrower makes a curtailment in a previous accounting cycle and executed a recast agreement. <b>Note:</b> We will not approve the reversal of a curtailment after the recast agreement is executed.
<b>Reporting Due Date</b>	On or before the P&I Determination Date.
<b>Draft Date</b>	The second business day after the P&I Determination Date.

## Missing Loans

Any loan on the *Servicer Loan Transactions Missing (Loan-Level Missing)* report without an asterisk (\*) is a missing loan (i.e., you have not reported a transaction for this loan number).

Missing loans are usually caused by one of the following reasons:

- You transmitted this loan with an invalid loan number and the loan is on the *LLR Edits to be Cleared* report with edit code 101.
- You did not indicate that this loan was sold to us in your investor reporting system.
- You closed this loan on your system, but we have not closed it on ours.
- There is a transfer of servicing problem.

To resolve a loan with an asterisk (\*), refer to the *LLR Edits to be Cleared* report and resolve the individual edit codes.

To resolve a missing loan, you must submit a transaction for it.

## Types of Edits

As we receive your transactions, we compare specific data elements to our database. You must clear or resolve any loan edit before our system will accept a valid transaction for that loan.

The following table identifies and provides a brief description of each type of edit, explains how to identify the edit, and outlines what high-level actions you must take to resolve the edit.

Type of Edit	Description	How to Identify	Required Actions
System-Cleared (soft edit)	Edits that our system clears automatically	Identified on the <i>LLR System Cleared Edits</i> report	We change the appropriate data elements to match what we expect and then process the updated transaction.
Fatal (hard edit)	Edits that our system cannot clear automatically	Identified on the <i>LLR Edits to be Cleared</i> report	You must correct the transaction to resolve these edits.
Warnings	Transactions we have processed that may require your additional attention or verification.	Identified on the <i>LLR Warning</i> report	Review all warnings and submit updated transactions, if necessary.

## How to Use this Reference Guide

For each edit and warning code, we identify the following:

- Applicable exception code(s)
- A description that outlines why the edit or warning code was generated, including potential causes
- How to resolve the edit or address the warning

Information for each edit and warning code is presented in the format outlined below.

<b>Edit or Warning Code</b>		<b>Fatal Edit</b>	-OR-	<b>System-Cleared Edit</b>
<b>Exception Codes that May Receive this Edit:</b> Identifies the exception codes that can receive this edit or warning.				
<b>Description</b>	Summarizes why our system generated the edit or warning code. Provides common causes of the edit or warning code. Some edit codes have multiple potential causes.			
<b>How to Resolve</b>	Identifies what must be done to resolve the edit and whether you must submit a corrected transaction for the current cycle. In all cases, you should try to determine and resolve the cause of the error so that it does not occur again in the next cycle.			
	<b>If you resolve an edit or a warning from:</b>		<b>Then:</b>	
	The <i>LLR Edits to be Cleared</i> report		Submit a corrected transaction to clear the edit.	
	The <i>Servicer Loan Transactions Missing</i> report ( <i>Loan-Level Missing</i> report)		You must transmit information on the loan immediately.	
	The <i>LLR System Cleared Edits</i> report		Submit a corrected transaction if necessary.	
	The <i>LLR Warning</i> report			
The <i>Loan Reconciliation Difference</i> report		You cannot submit a corrected transaction if we have finished processing loan data for the cycle. Resolve the problem by the next accounting cycle.		

### Important: Custodial Account Impacts

Always consider the impact of an edit or warning to your custodial account. A custodial account adjustment is necessary when the amount you deposited or the amount you adjusted your delinquent prepaid interest for is different from the amount due we processed for a loan.

Some loans have more than one edit code. A custodial account adjustment may not be necessary for each code. You need to use the total change in amount due to determine if there is a custodial account action necessary.

### Edits You Do Not Have to Address

The following edits may be generated for any transaction. You are not responsible for taking any action on these edits – we will address them.

- |       |       |       |       |
|-------|-------|-------|-------|
| ▪ 100 | ▪ 108 | ▪ 222 | ▪ 238 |
| ▪ 102 | ▪ 110 | ▪ 223 | ▪ 239 |
| ▪ 103 | ▪ 209 | ▪ 228 | ▪ 808 |
| ▪ 104 | ▪ 216 | ▪ 229 | ▪ 809 |
| ▪ 106 | ▪ 221 | ▪ 230 |       |

<b>Edit Code 101</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	<p>Invalid Freddie Mac loan number.</p> <p>You reported a Freddie Mac loan number that our system does not recognize because:</p> <ul style="list-style-type: none"> <li>▪ You entered an incorrect loan number.</li> <li>▪ You reported a valid loan number but we closed that loan in a previous cycle by processing a payoff, third-party foreclosure sale, or REO transaction.</li> <li>▪ You reported a loan number for a loan we do not own.</li> </ul> <p>Cross-reference all loans without an asterisk (*) on the <i>Loan-Level Missing</i> report to determine if a data entry error occurred when the loan was set up on your investor reporting system.</p> <p>If you reported this loan using your institution's loan number, it will appear on the edit report. It may be easier for you to research this loan by referencing your loan number.</p> <p>Research the cause of the error by going back to the first cycle the edit code appeared for this loan and then refer to the following:</p>	
	<b>If:</b>	<b>Then:</b>
	Your records indicate that the loan was a new funding the cycle it first appeared with this edit code	Locate the <i>Funding Detail Report</i> for this loan to determine the correct loan number.
	This is not a data entry error on a new loan	<p>The problem is probably due to one of the following:</p> <ul style="list-style-type: none"> <li>▪ A payoff for a newly funded loan that occurred before the first accounting cycle, or</li> <li>▪ A loan we processed in a previous cycle as an REO or an FHA/VA HUD conveyance and it was not removed from your servicing system.</li> </ul>
<b>How to Resolve</b>	Refer to the following:	
	<b>If you:</b>	<b>Then:</b>
	Entered an incorrect loan number	<p>Correct the loan number and retransmit.</p> <p><b>Note:</b> The incorrect loan number will remain on the <i>LLR Edits to be Cleared</i> report until the end of the cycle.</p>
	<p>Reported a loan</p> <ul style="list-style-type: none"> <li>▪ We did not purchase, or</li> <li>▪ That has been processed as a payoff, third-party foreclosure sale, or REO in a previous cycle</li> </ul>	Remove the loan from your Freddie Mac portfolio on your investor reporting system.
	Processed the loan as a payoff in error or as a FHA/VA conveyance and it was redeemed	Contact your Freddie Mac Loan Portfolio Specialist.
Processed the loan as an REO and the loan is a redemption	Forward the funds to our REO department.	

<b>Edit Code 105</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	Invalid Servicer number for this loan. You reported this loan with a Servicer number that is different from the number of the Servicer of record in our system. A transfer of servicing problem or data entry error can cause this edit. The following table identifies potential causes of this edit:	
	<b>If:</b>	<b>Then:</b>
	The loan is not involved in a transfer of servicing	The incorrect Servicer number was in the transmission's header record.
	You reported the transaction via the Service Loans application	You reported the transaction using the incorrect Servicer number.
	You are transferring the loan to another Servicer	We processed the transfer of servicing request before you transferred the loan.
	You received the loan in a transfer of servicing and the loan was included in the transfer request	We have not processed the transfer of servicing request. You reported the loan prior to the effective date of transfer.
	You received the loan in a transfer of servicing but the loan was <u>not</u> included in the transfer request	We did not transfer the loan to you as it was not included in the transfer of servicing request.
<b>How to Resolve</b>	Regardless of the cause of the edit, the loan needs to be reported under the Servicer of record.	
	<b>If:</b>	<b>Then:</b>
	The loan is not involved in a transfer of servicing	Retransmit the loan with the correct Servicer number.
	The loan is, or recently was, involved in a transfer of servicing	<p>You must coordinate reporting with the other Servicer involved until the transfer problem is resolved.</p> <p>To resolve a transfer of servicing problem you need to:</p> <ul style="list-style-type: none"> <li>▪ Determine the appropriate accounting cycle for the loan to be transferred.</li> <li>▪ Coordinate reporting with the other Servicer involved.</li> <li>▪ Submit an amended transfer of servicing request, if necessary.</li> <li>▪ Inform your Freddie Mac Loan Portfolio Specialist of the problem.</li> </ul> <p><b>Note:</b> A transfer of servicing problem may not be resolved in the same accounting cycle.</p>
<p>The Servicer of record is responsible for reporting this loan, and we will draft funds due for the loan from the Servicer of record's custodial bank account until the transfer of servicing issue is resolved. Account for this loan in the Servicer of record's custodial account, including accounting for all funds, and delinquent or prepaid interest.</p> <p>If the edit is the result of a transfer of servicing problem, the edit will continue until the problem is resolved.</p> <p>If you are actively involved in transfers of servicing, ensure only the loans included in the transfer of servicing request are transferred and that the transfer coincides with the effective date.</p>		

<b>Edit Code 107</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	<p>The Servicer number you reported is not defined in our system as servicing any loans in the cycle you are reporting for.</p> <p>This edit occurs if you:</p> <ul style="list-style-type: none"> <li>▪ Entered an incorrect Servicer number.</li> <li>▪ Are using a new Freddie Mac Servicer number before you are authorized to use it.</li> <li>▪ Are using a Servicer number we have discontinued.</li> </ul>	
<b>How to Resolve</b>	<p>Submit a transaction with the correct Servicer number. Contact your Freddie Mac Loan Portfolio Specialist if you need assistance.</p> <p>Account for all funds (including delinquent interest and prepaid interest) for the loan in the Servicer of record's custodial account.</p>	

<b>Edit Code 200</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	<p>Invalid exception action code. The numeric code you reported in the exception code field of your transmission was not a valid exception code, or the data reported is not consistent with the exception code.</p> <p>Possible causes of this error include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>▪ Data entry error</li> <li>▪ Invalid exception code reported</li> <li>▪ Reported data for a loan that is inconsistent with the exception code. For example: <ul style="list-style-type: none"> <li>– Exception code 50 (Reinstatement) is reported for a loan in its fourth cycle of delinquency</li> <li>– Exception code 91 (P&amp;I Recast) reported for an inactive loan with incorrect DDLPI movement</li> <li>– Exception code 80 (Balance Correction) reported without an increase to the UPB in the fourth cycle of delinquency</li> <li>– Exception code 80 (Balance Correction) reported without an increase to the UPB with a current DDLPI on an inactive loan</li> <li>– Exception code 40 (Inactivation) reported with a partial or full reinstatement</li> </ul> </li> </ul>	
<b>How to Resolve</b>	<p>Determine the changes necessary to the data reported and submit a corrected transaction.</p>	

<b>Edit Code 201</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 71, 72, or 73.		
<b>Description</b>	<p>Exception code specifies wrong loan type. You reported an exception code specific to a type of product that is different from this loan's product.</p> <p>This edit is generated if you:</p> <ul style="list-style-type: none"> <li>▪ Reported exception code 72 or 73 for a conventional foreclosure.</li> <li>▪ Reported exception code 71 for an FHA/VA foreclosure.</li> <li>▪ Delivered the incorrect loan type to Freddie Mac.</li> </ul>	
<b>How to Resolve</b>	<p>Determine the correct loan product (FHA/VA or conventional) and submit a corrected transaction, or notify us if our database is incorrect.</p>	

<b>Edit Code 202</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 70, 71, 72, or 73		
<b>Description</b>	Invalid loan status. This edit is generated if you reported the wrong exception code or the prerequisite action was not reported to us via EDR.	
<b>How to Resolve</b>	Take one of the following actions: <ul style="list-style-type: none"> <li>▪ Verify that you reported the correct activity via EDR or correct sale result via the Foreclosure/DIL notification.               <ul style="list-style-type: none"> <li>– If the activity reported is incorrect, send another EDR transmission to correct it.</li> <li>– If the sale result reported is incorrect, contact your Freddie Mac Foreclosure/Bankruptcy Specialist.</li> </ul> </li> <li>▪ Verify that the correct exception code was reported and submit another transaction if necessary.</li> </ul>	
<b>Edit Code 203</b>		<b>System-Cleared Edit</b>
Exception Codes that May Receive this Edit: 40		
<b>Description</b>	You reported an inactivation for a loan that was already inactivated. Once a loan is inactivated, report the loan as a P&I – inactive mortgage transaction until the loan partially or fully reinstates, pays off, goes to third-party foreclosure sale, or becomes REO. You may need to correct your system programming if it is including exception code 40 with loans that were previously inactivated.	
<b>How to Resolve</b>	If this loan is still inactive, we will automatically clear the edit. If a different exception code should have been reported, submit another transaction for the loan.	
<b>Edit Code 204</b>		<b>System-Cleared Edit</b>
Exception Codes that May Receive this Edit: 50		
<b>Description</b>	You reported a reinstatement for a loan that is not inactive in our records. Our records may indicate the loan is active if you tried to inactivate the loan in a previous cycle, but we could not process the transaction.	
<b>How to Resolve</b>	If you intended to report a different exception code, submit an updated transaction. If you tried to reinstate a loan that you reported in the same cycle as an inactivation, report a P&I transaction with the correct principal, interest due, and DDLPI.	
<b>Edit Code 206</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 40		
<b>Description</b>	Alternate method loans cannot be inactivated. You reported an inactivation for a loan that is reported under the alternate accounting method, which does not permit inactivation.	
<b>How to Resolve</b>	Submit a corrected transaction with a P&I transaction type. To prevent this edit, adjust your system so that an inactivation is not reported in the fourth month of delinquency for loans serviced under the alternate accounting method.	

<b>Edit Code 207</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	You reported a non-numeric code in the exception code field. This edit is usually caused by a data entry error.	
<b>How to Resolve</b>	To resolve, submit a corrected transaction with a valid exception code. Refer to <a href="#">Exception Codes and Transaction Types</a> in this quick reference for additional information.	

  

<b>Edit Code 208</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transaction)		
<b>Description</b>	Exception code 80 is needed for a balance correction. You reported an ending unpaid principal balance (UPB) that is greater than the beginning UPB on a loan that does not allow negative amortization, but did not report exception code 80 with the transaction.	
<b>How to Resolve</b>	<b>If:</b>	<b>Then:</b>
	The ending UPB has increased from the prior cycle	Submit an updated transaction that includes exception code 80. <b>Note:</b> You must also provide supporting documentation if the curtailment reversal is greater than \$3,000.
	You reported an incorrect ending UPB	Submit an updated transaction with the correct ending UPB.

  

<b>Edit Code 210</b>		<b>System-Cleared Edit</b>
Exception Codes that May Receive this Edit: 80		
<b>Description</b>	A balance correction is not needed. You reported this loan as a balance correction (exception code 80) but the loan's ending UPB is not greater than its beginning UPB. If you reported exception code 80 because you had a payment reversal during the current cycle, submit an updated transaction without exception code 80. Exception code 80 should only be reported if the payment was applied in one cycle and then reversed the following cycle.	
<b>How to Resolve</b>	We will process this transaction without exception code 80 and process principal due to match the reported ending UPB. If the ending UPB you reported is incorrect, report a corrected transaction to correct the error.	

<b>Edit Code 211</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 65		
<b>Description</b>	<p>Reported as a repurchase, but not approved as a repurchase.</p> <p>You reported exception code 65 (Payoff – Repurchase) for a loan that we have not approved for repurchase.</p>	
<b>How to Resolve</b>	Refer to the following to determine how to resolve this edit:	
	<b>If the loan:</b>	<b>Then:</b>
	Has been approved for repurchase (repurchase required by Freddie Mac) or is a delinquent recourse loan	Send your Freddie Mac Portfolio Specialist a copy of the repurchase letter or the Freddie Mac-approved Form 105, <i>Multipurpose Loan Servicing Transmittal</i> . We will adjust our system and clear the edit.
	Is an ACARM that you cannot process as a normal conversion	Notify your Freddie Mac Portfolio Specialist. We will adjust our system and clear the edit.
	Is a modification/refinance that you must report as a repurchase	
Has not been approved by Freddie Mac for repurchase	<p>Report the loan as a P&amp;I transaction for the current cycle. Request approval for repurchase from Freddie Mac if you want to repurchase the loan in the following cycle.</p> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▪ If we do not process a repurchase for this loan in the current cycle, continue reporting it as a P&amp;I transaction until we approve the repurchase.</li> <li>▪ To prevent this edit from occurring, ensure that you have received approval prior to reporting a repurchase.</li> <li>▪ If we do not process a repurchase for this loan, adjust your custodial account for the repurchase proceeds you deposited and for any adjustments for delinquent or prepaid interest.</li> </ul>	

<b>Edit Code 212</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 65		
<b>Description</b>	<p>Reported repurchase, but a waiver has been approved.</p> <p>You reported a repurchase transaction, but we have waived the repurchase requirement. To prevent this edit, coordinate all required reporting with other areas in your organization that service your Freddie Mac portfolio.</p>	
<b>How to Resolve</b>	<p>Submit a corrected transaction to process this loan as a P&amp;I transaction, or if applicable, a different exception code.</p> <p>Ensure that you adjust your custodial account for the repurchase proceeds you deposited, and for any adjustments for delinquent or prepaid interest.</p>	

**Edit Code 213** **Fatal Edit**  
 Exception Codes that May Receive this Edit: 66

<b>Description</b>	You reported exception code 66 (Payoff – Conversion) for a loan that our records indicate is either not a convertible ARM or is a convertible ARM that does not use the repurchase path.
<b>How to Resolve</b>	If the loan is a convertible ARM, send supporting documentation to your Freddie Mac Loan Portfolio Specialist. We will adjust our system and the edit will be deleted. If the loan is not a convertible ARM, submit another transaction with the correct exception code.

**Edit Code 214** **Fatal Edit**  
 Exception Codes that May Receive this Edit: May occur with any exception code.

<b>Description</b>	You reported a transaction for a loan we previously closed in our systems by processing a transfer to REO or a HUD conveyance. This edit usually results when one of the following occurs: <ul style="list-style-type: none"> <li>▪ A closed loan is not removed from your investor reporting system.</li> <li>▪ A loan has been transferred to REO and the borrower has redeemed the property.</li> </ul>	
<b>How to Resolve</b>	Discontinue reporting this loan number unless the loan has gone to Real Estate Owned (REO) and the borrower has redeemed the property. If the property has been redeemed, contact your Freddie Mac Loan Portfolio Specialist.	
	<b>If the loan was processed as:</b>	<b>Then:</b>
	An REO and was redeemed	Forward the funds to the REO department.
	A payoff in error or as a FHA/VA conveyance and was redeemed	Contact your Freddie Mac Loan Portfolio Specialist.

**Edit Code 215** **System-Cleared Edit**  
 Exception Codes that May Receive this Edit: Blank (P&I transaction for an inactive loan)

<b>Description</b>	Reinstatement not reported, loan reinstated by Freddie Mac. You reported a current DDLPI and the corresponding payment activity for an inactive loan, but did not report exception code 50 (Full Reinstatement).
<b>How to Resolve</b>	No reporting action is required. This edit is notification that Freddie Mac reinstated the loan. Ensure that you update your system to reflect the reinstatement.

<b>Warning Code 220</b> Exception Codes that May Receive this Edit: 71, 73	
<b>Description</b>	<p>Redemption period may exist; verify transaction.</p> <p>You reported an FHA/VA third-party foreclosure sale (exception code 73) or third-party foreclosure sale (exception code 71), and need to verify:</p> <ul style="list-style-type: none"><li>▪ That you reported the correct exception code.</li><li>▪ Whether there is a redemption period.</li></ul>
<b>How to Resolve</b>	<p>Take the following actions:</p> <ul style="list-style-type: none"><li>▪ Verify that you have reported the correct exception code.</li><li>▪ Verify that no redemption period exists. If one does, submit a P&amp;I transaction. Continue to report the loan as a P&amp;I transaction until the redemption period expires or the property is redeemed.</li></ul>

**Edit Code 224**

Fatal Edit

Exception Codes that May Receive this Edit: 70

<b>Description</b>	Sale result is not REO. You reported a transaction to transfer a loan to REO, but a foreclosure sale result has not been reported to support this action.	
<b>How to Resolve</b>	Determine the foreclosure sale result.	
	<b>If this loan:</b>	<b>Then:</b>
	Was not sold at foreclosure sale	Report the foreclosure sale result via the Foreclosure Sale/DIL notification in the Service Loans application. We will clear this edit once we process the notification.
	Was sold at foreclosure sale	Take the following actions: <ul style="list-style-type: none"> <li>Report the foreclosure sale result via the Foreclosure Sale/DIL notification in the Service Loans application, and</li> <li>Submit a corrected loan-level transaction to report this loan as a third-party foreclosure sale if you have received the proceeds, or as a P&amp;I transaction if you have not. If you have not received the proceeds, continue to report this loan as a P&amp;I transaction until you receive the sale proceeds, at which time you will report this loan as a third-party foreclosure sale.</li> </ul>
	Has not gone to foreclosure sale	Submit a P&I transaction.
	Ensure that you determine any custodial account impacts:	
	<b>If:</b>	<b>Then:</b>
	The REO is processed	No custodial account action required.
	The foreclosure sale resulted in a third-party sale and you have deposited the proceeds	There should be no custodial account impact.
	The foreclosure sale resulted in a third-party sale and you have not received the proceeds, or the foreclosure sale has not occurred yet	Continue to account for the delinquent interest on this loan.

<b>Edit Code 225</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 71, 73		
<b>Description</b>	Sale result is not a third-party foreclosure sale. You reported a third-party foreclosure sale via loan-level reporting, but a foreclosure sale result has not been reported to support this action.	
<b>How to Resolve</b>	Determine the foreclosure sale result.	
	<b>If this loan:</b>	<b>Then:</b>
	Was sold at foreclosure sale	Report the foreclosure sale result via the Foreclosure Sale/DIL notification in the Service Loans application. We will clear this edit once we process the notification.
	Was not sold at foreclosure sale	Take the following actions: <ul style="list-style-type: none"> <li>Report the foreclosure sale result via the Foreclosure Sale/DIL notification in the Service Loans application, and</li> <li>Submit a corrected loan-level transaction to report this loan as a transfer to REO.</li> </ul>
	Has not gone to foreclosure sale	Submit a P&I transaction.
	Ensure that you determine any custodial account impacts:	
	<b>If:</b>	<b>Then:</b>
	A third-party sale is processed	There is no custodial account action required.
	The foreclosure sale resulted in an REO	There should be no custodial account impacts.
	The foreclosure sale has not occurred yet	Continue to account for the delinquent interest on this loan.

  

<b>Edit Code 226</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 70		
<b>Description</b>	The foreclosure sale result was reported as a deed-in-lieu of foreclosure, not REO. You reported a transaction to transfer this loan to REO, but your organization reported the foreclosure sale result as a deed-in-lieu.	
<b>How to Resolve</b>	Verify the foreclosure sale result.	
	<b>If this loan:</b>	<b>Then:</b>
	Is a deed-in-lieu of foreclosure	Contact your Freddie Mac Loan Portfolio Specialist.
	Is not a deed-in-lieu of foreclosure	Contact your Freddie Mac Workout Specialist.

<b>Edit Code 227</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 72		
<b>Description</b>	<p>Sale result is not FHA/VA conveyance.</p> <p>You reported a transaction to convey this loan to HUD, but your organization has not reported this result via the Foreclosure Sale/DIL notification in the Service Loans application.</p>	
<b>How to Resolve</b>	Verify the status of the loan.	
	<b>If:</b>	<b>Then:</b>
	You did not report the sale result via the Foreclosure Sale/DIL notification in the Service Loans application	Report the sale result.
	You reported an incorrect sale result via the Foreclosure Sale/DIL notification in the Service Loans application	Contact your Freddie Mac Workout Specialist.
	You reported an incorrect exception code	Submit another loan-level reporting transaction with the correct exception code.

  

<b>Edit Code 232</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 60		
<b>Description</b>	Reported matured loan with outstanding repurchase due. You reported exception code 60 (Payoff – Matured) for an outstanding repurchase.	
<b>How to Resolve</b>	Report a corrected transaction with exception code 65 (Payoff – Repurchase).	

  

<b>Edit Code 233</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 61		
<b>Description</b>	Reported prepaid loan with outstanding repurchase due. You reported exception code 61 (Payoff – Prepaid) for an outstanding repurchase.	
<b>How to Resolve</b>	Report a corrected transaction with exception code 65 (Payoff – Repurchase).	

  

<b>Edit Code 235</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 66		
<b>Description</b>	You reported exception code 66 (Payoff – Conversion) for an outstanding repurchase.	
<b>How to Resolve</b>	Report another transaction with exception code 65 (Payoff – Repurchase).	

<b>Edit Code 236</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 60, 61, 65, 66, 67		
<b>Description</b>	Loan is in REO status. Payoff cannot be processed. You reported a payoff transaction for a loan that your organization reported as REO via the Foreclosure Sale/DIL notification.	
<b>How to Resolve</b>	Verify the correct activity for this loan:	
	<b>If this loan:</b>	<b>Then:</b>
	Should be transferred to REO	Submit a corrected transaction to transfer the loan to REO. <b>Note:</b> If we process an REO, and you deposited repurchase proceeds in your custodial account, withdraw the proceeds.
	Should not be transferred to REO	Contact Freddie Mac's Loss Mitigation department.
<b>Edit Code 237</b>		<b>System-Cleared Edit</b>
Exception Codes that May Receive this Edit: 61, 66		
<b>Description</b>	Matured loan error. You reported exception code 66 (Payoff – Conversion) or exception code 61 (Payoff – Prepaid) for a loan that our records indicate is matured.	
<b>How to Resolve</b>	We will process this transaction as a matured payoff (exception code 60). Verify that the transaction we processed is correct.	
<b>Edit Code 242</b>		<b>Fatal Edit</b>
Applicable Exception Codes: 40		
<b>Description</b>	Loan is not in the fourth cycle of delinquency; inactivation is not allowed.	
<b>How to Resolve</b>	Submit a P&I transaction.	
<b>Edit Code 243</b>		<b>System-Cleared Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transaction), 80, 91		
<b>Description</b>	Inactivation not reported. Loan inactivated by Freddie Mac. You did not report exception code 40 (Inactivation) for a loan in its fourth cycle of delinquency.	
<b>How to Resolve</b>	No action is required. Freddie Mac inactivated the loan. Ensure that the loan is inactivated on your servicing system.	
<b>Warning Code 310</b>		
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	Duplicate transaction ignored. Transactions for duplicate loan numbers were reported in the same processing window.	
<b>How to Resolve</b>	Verify the transaction we processed. Submit a corrected transaction, if necessary.	

<b>Edit Code 311</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	Reporting cycle error. The transaction you reported is not for the current accounting cycle.	
<b>How to Resolve</b>	Submit a corrected transaction for the current accounting cycle.	

<b>Edit Code 400</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	Invalid DDLPI. One of the following occurred: <ul style="list-style-type: none"> <li>▪ The DDLPI format is incorrect.</li> <li>▪ There was a data entry error.</li> <li>▪ The prior cycle DDLPI day was the first of the month, and the current cycle DDLPI day reported is not the first of the month.</li> <li>▪ The prior cycle DDLPI day was not the first of the month, and the current cycle DDLPI day reported is the first of the month.</li> <li>▪ The reported DDLPI is equal to or greater than the maturity date and a liquidation transaction is expected.</li> <li>▪ The DDLPI is invalid for the transaction type reported.</li> </ul>	
<b>How to Resolve</b>	Submit an updated transaction with the correct DDLPI.	

<b>Edit Code 404</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 67, 70, 71, 72, 73		
<b>Description</b>	DDLPI reported is different from the prior cycle DDLPI. DDLPI movement not allowed when reporting a short sale, third-party foreclosure sale, or REO.	
<b>How to Resolve</b>	Submit an updated transaction with the correct DDLPI.	

<b>Edit Code 405</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 40, 50, 80, 91		
<b>Description</b>	<p>No DDLPI movement is allowed after a foreclosure sale result is reported. No principal should be reported and the DDLPI cannot move after you have reported a foreclosure sale result.</p> <p>One of the following occurred:</p> <ul style="list-style-type: none"> <li>▪ The DDLPI reported is different from the DDLPI reported at the time the foreclosure sale was reported.</li> <li>▪ Principal is reported for a loan that was reported as a foreclosure sale.</li> </ul>	
<b>How to Resolve</b>	Submit an updated P&I transaction with the DDLPI that was reported at the time of the foreclosure sale.	

<b>Edit Code 406</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 50, 80, 91		
<b>Description</b>	<p>ARM terms not available for the DDLPI.</p> <p>This edit results from the following:</p> <ul style="list-style-type: none"> <li>▪ Data entry error</li> <li>▪ The DDLPI reported is for a period where the index is not available to calculate the payment.</li> </ul>	
<b>How to Resolve</b>	Submit an updated transaction. Report prepayments on ARMs only through the month of the interest rate change date.	

<b>Warning Code 409</b>	
Exception Codes that May Receive this Edit: Blank (P&I transactions), 50, 80, 91	
<b>Description</b>	<p>Non-standard DDLPI movement for principal reported. The DDLPI movement reported is not consistent with the principal reported. Freddie Mac has processed the transaction; additional review for accuracy is recommended.</p> <p>This warning may result from the following:</p> <ul style="list-style-type: none"> <li>▪ Principal reduction reported, but DDLPI moved backward on a prepaid loan.</li> <li>▪ A balance correction is reported, but the DDLPI moved forward on a current or prepaid loan.</li> <li>▪ Misapplication of curtailment.</li> <li>▪ Misapplication of prepayment.</li> </ul>
<b>How to Resolve</b>	Verify the transaction we processed is correct. If it is, no further action is required. Otherwise, submit an updated transaction.

<b>Edit Code 411</b>		<b>System-Cleared Edit</b>
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	Last Payment Received Date (LPRD) error. The Last Payment Received Date is incorrect. One of the following occurred: <ul style="list-style-type: none"> <li>▪ The LPRD is greater than the current date.</li> <li>▪ The LPRD is invalid.</li> <li>▪ The LPRD is missing.</li> </ul>	
<b>How to Resolve</b>	Refer to the following:	
	<b>If:</b>	<b>Then:</b>
	This edit appears on the <i>LLR System Cleared Edits</i> report	Ensure the correct LPRD is reported next cycle.
	You receive this edit with another edit on the <i>LLR Edits to be Cleared</i> report	Submit a revised transaction with corrected data.

<b>Edit Code 412</b>		<b>System-Cleared Edit</b>
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	The Last Payment Received Date (LPRD) is prior to the origination date. You reported a LPRD that is earlier than the date the loan was originated. This edit is usually caused by a data entry error.	
<b>How to Resolve</b>	Refer to the following:	
	<b>If:</b>	<b>Then:</b>
	This edit appears on the <i>LLR System Cleared Edits</i> report	Ensure the correct LPRD is reported next cycle.
	You receive this edit with another edit on the <i>LLR Edits to be Cleared</i> report	Submit a revised transaction with corrected data.

<b>Edit Code 501</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 60, 61, 65, 66, 67, 70, 71, 72, 73		
<b>Description</b>	Exception date is required. You submitted a transaction with an exception code that requires an exception date, but the exception date field is blank. An exception date is required for all payoffs, third-party foreclosure sales, transfers to REO, and HUD conveyances.	
<b>How to Resolve</b>	Submit another transaction with the correct exception date.	

<b>Edit Code 502</b>	
Exception Codes that May Receive this Edit: 40, 50, 91	
<b>Description</b>	Exception date is not applicable. You provided an exception date for a transaction that does not require one.
<b>How to Resolve</b>	We will process the transaction without the exception date. Verify the transaction we processed and submit a corrected transaction if necessary.

<b>Edit Code 503</b>	
Exception Codes that May Receive this Edit: 60, 61, 65, 66, 67, 70, 71, 72, 73	
<b>Description</b>	Exception date error. One of the following occurred: <ul style="list-style-type: none"> <li>▪ Data entry error.</li> <li>▪ The exception date reported is not formatted correctly.</li> <li>▪ The exception date reported is after the current cycle.</li> <li>▪ The exception date reported is prior to the funding date.</li> </ul>
<b>How to Resolve</b>	Submit another transaction with the correct exception date.

<b>Edit Code 505</b>		
Exception Codes that May Receive this Edit: 71, 73		
<b>Description</b>	The exception date reported is not the same as the foreclosure sale date. The exception date reported via your loan-level transaction is different from the foreclosure sale date reported via the Foreclosure Sale/DIL notification in the Service Loans application.	
<b>How to Resolve</b>	Determine the correct exception date.	
	<b>If:</b>	<b>Then:</b>
	The foreclosure sale date reported via the Foreclosure Sale/DIL notification was incorrect	Submit another Foreclosure Sale/DIL notification and include the correct exception date.
	The exception date reported for the loan-level reporting transaction was incorrect	Submit another loan-level reporting transaction and include the correct exception date.

<b>Warning Code 506</b>	
Exception Codes that May Receive this Edit: 60, 61, 65, 66, 67, 70, 71, 72, 73	
<b>Description</b>	The exception date reported is prior to the current cycle. This warning may result when the actual transaction date (e.g., foreclosure sale date) was in a previous accounting cycle.
<b>How to Resolve</b>	Verify the exception date and submit a corrected transaction if necessary.

<b>Edit Code 512</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 70, 73		
<b>Description</b>	<p>Foreclosure sale date cannot be before the foreclosure start date.</p> <p>You reported a loan-level transaction with a foreclosure sale date that is earlier than the foreclosure start date (date foreclosure proceedings began on the loan) you reported via EDR. This edit is usually the result of a data entry error.</p>	
<b>How to Resolve</b>	Verify the foreclosure sale date.	
	<b>If the foreclosure sale date reported is:</b>	<b>Then:</b>
	Correct and the foreclosure start date is incorrect	Send an EDR transmission to correct the foreclosure start date.
	Incorrect and the foreclosure start date is correct	Contact your Freddie Mac Foreclosure/Bankruptcy Specialist.
<b>Edit Code 600</b>		<b>System-Cleared Edit</b>
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	<p>Interest error. The interest due reported does not equal Freddie Mac's expected interest. This edit can occur for a variety of reasons, including, but not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ Data entry error.</li> <li>▪ The incorrect UPB was used to calculate scheduled interest. (<b>Note:</b> The current cycle's ending UPB must be used.)</li> <li>▪ An incorrect accounting net yield (ANY) was used to calculate interest.</li> <li>▪ No interest is expected as the loan is inactive and the DDLPI did not advance beyond the inactivation date.</li> <li>▪ A new interest amount is expected due to a step rate interest change date.</li> <li>▪ A new interest amount is expected due to an Interest Only (IO) conversion date being reached.</li> </ul>	
<b>How to Resolve</b>	You may submit an updated transaction with the correct interest due amount.	
<b>Warning Code 605</b>		
Exception Codes that May Receive this Edit: 50, 60, 61, 65, 66, 67, 71, 73, 91		
<b>Description</b>	<p>Delinquent interest may be due on alternate method loan. You reported a transaction for a loan reported under our alternate method program, and delinquent interest may be due.</p> <p>Reminder: Alternate method loans are not inactivated. Therefore, exception code 50 does not apply.</p>	
<b>How to Resolve</b>	<p>Verify if any delinquent interest is due, and submit an updated transaction if necessary.</p> <p>Verify that you either have cash receipts or a decrease in delinquent interest to offset the interest due. When calculating interest due on loans reported under our alternate method reporting program, remember to pass through all delinquent interest when the loan liquidates.</p>	

<b>Edit Code 606</b>		<b>System-Cleared Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 40, 80, 91		
<b>Description</b>	<p>Interest error in the month of inactivation. The interest you reported is not equal to zero and the loan:</p> <ul style="list-style-type: none"> <li>▪ Was reported as inactive in prior cycles, or</li> <li>▪ Was in the fourth (or greater) month of delinquency.</li> </ul> <p><b>Note:</b> Freddie Mac will inactivate a loan when it reaches the fourth month of delinquency if no inactivation is reported.</p>	
<b>How to Resolve</b>	No action is required. You may submit an updated transaction with the correct interest amount due.	

<b>Edit Code 608</b>		<b>System-Cleared Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 40, 80, 91		
<b>Description</b>	<p>Interest on partial reinstatement error. The interest you reported on an inactive loan did not match the interest expected for the DDLPI reported.</p> <p>Possible causes of this edit include:</p> <ul style="list-style-type: none"> <li>▪ The DDLPI reported is beyond the inactivation date, but the interest reported did not support the DDLPI.</li> <li>▪ Negative principal reduction reported on a loan that had a prior partial reinstatement.</li> </ul> <p><b>Note:</b> A partial reinstatement occurs when one (or more) full monthly payment is made on an inactive loan but does not bring the loan current.</p>	
<b>How to Resolve</b>	No action is required. We will calculate interest due. You may submit an updated transaction with the correct interest due amount.	

<b>Edit Code 700</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: May occur with any exception code.		
<b>Description</b>	<p>Principal due is calculated incorrectly. The difference between the previous cycle's ending UPB and the current cycle's ending UPB does not equal the principal due reported for the current cycle.</p> <p>This edit code usually caused by:</p> <ul style="list-style-type: none"> <li>▪ Newly funded loans. The beginning balance for newly funded loans is the purchase balance. The actual loan balance may not match the purchase balance when the loan is set up on your system because payments were received that reduced the purchase balance or the scheduled payment was not received to match the scheduled balance delivered.</li> <li>▪ Data entry errors.</li> <li>▪ Miscalculation of reported curtailments or curtailment reversals.</li> <li>▪ Incorrect principal payment reported.</li> <li>▪ Incorrect ending UPB reported.</li> <li>▪ A payment and a payoff being received in the same cycle. The principal due on all payoffs must equal the previous cycle's ending balance. If you receive a payment and the loan then pays off in the same cycle, the actual payoff amount will be less than the beginning UPB. You must include the principal reduction received with the payment in the payoff principal.</li> </ul>	
<b>How to Resolve</b>	<p>If you reported the wrong ending UPB or exception code, submit a corrected transaction. Last cycle's ending balance minus the current cycle's reported ending balance should equal the principal due reported.</p> <ul style="list-style-type: none"> <li>▪ For new fundings, always verify the UPB set up on your investor accounting system with the UPB on the <i>Funding Detail Report</i>. Consider automating your loan set-up process.</li> <li>▪ Change your system logic if your system does not include all principal payments with the payoff UPB.</li> </ul> <p>Verify the amount deposited into your custodial account for this transaction, and make any necessary adjustments.</p>	

<b>Edit Code 702</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 40, 70, 72, 80, 91		
<b>Description</b>	Principal due must be zero in the month of inactivation or when reporting an REO or FHA/VA foreclosure/conveyance.	
<b>How to Resolve</b>	Determine if you received a payment:	
	<b>If you:</b>	<b>Then:</b>
	Reported exception code 40 and received one or more full monthly payment(s), making the loan less than four months delinquent	Submit a P&I transaction with the correct principal due amount and supporting DDLPI. (Do not report exception code 40.)
	Reported exception code 40 and did not receive a payment	Submit a transaction with exception code 40 with zero principal due.
	Reported exception code 70 or 72 and received a payment	Submit a P&I transaction with zero principal due.

### Warning Code 708

Exception Codes that May Receive this Edit: Blank (P&I transactions) 40, 50, 80, 91

<b>Description</b>	Negative principal reduction reported in excess of \$3,000. You reported a balance correction with a negative principal reduction amount greater than \$3,000. <b>Note:</b> This does not include payment reversals.
<b>How to Resolve</b>	Freddie Mac processed the transaction. However, you must provide documentation to your Freddie Mac Loan Portfolio Specialist to support the negative principal reduction amount no later than EOM plus one business day.

### Edit Code 709

Fatal Edit

Exception Codes that May Receive this Edit: Blank (P&I transactions), 91

<b>Description</b>	You reported a deferred UPB value that is greater than the original deferred unpaid principal balance for the modification. A data entry error may have occurred when you updated your system with the deferred UPB amount.
<b>How to Resolve</b>	Report another transaction with the correct deferred UPB amount. <b>Note:</b> Update your system to reflect the correct deferred UPB or contact your Freddie Mac Loan Portfolio Specialist if you have verifiable evidence that Freddie Mac used the incorrect values to establish the deferred balance at the time of the modification.

### Edit Code 710

Fatal Edit

Exception Codes that May Receive this Edit: Blank (P&I transactions), 91

<b>Description</b>	You reported a P&I transaction for a loan with an interest-bearing UPB equal to zero. When the interest-bearing UPB is equal to zero, you are required to collect the non-interest-bearing portion of the loan (deferred UPB) and report a payoff transaction. You may have reported an incorrect transaction type.
<b>How to Resolve</b>	Report a payoff transaction to liquidate the outstanding balance of the deferred UPB. Deposit funds for the balance of the deferred UPB into your custodial account, if necessary. Monitor low-balance mortgages with a deferred UPB. When the borrower makes the last payment prior to the maturity date, you must also liquidate the deferred UPB.

**Edit Code 711****Fatal Edit**

Exception Codes that May Receive this Edit: Blank (P&amp;I transactions), 40, 50, 60, 61, 65, 66, 67, 70, 71, 80, 91

<b>Description</b>	<p>Deferred principal curtailment error. The difference between the deferred UPB value reported for the current cycle and the deferred UPB value reported for the prior cycle is not equal to the deferred principal curtailment amount reported for the current cycle.</p> <p>Possible causes include, but are not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ A data entry error may have occurred when you updated your system with the deferred UPB amount.</li> <li>▪ The deferred principal curtailment amount reported for the current cycle was calculated incorrectly.</li> <li>▪ A deferred principal curtailment payment was misapplied.</li> </ul>
<b>How to Resolve</b>	<p>Submit a corrected transaction. Ensure that the deferred principal curtailment amount you report for the current cycle equals the prior cycle deferred UPB minus the current cycle deferred UPB.</p> <p>Adjust your deposit to the custodial account for any change in principal due, if necessary.</p>

**Edit Code 713****Fatal Edit**

Exception Codes that May Receive this Edit: Blank (P&amp;I transactions), 40, 50, 60, 61, 65, 67, 80, 91

<b>Description</b>	<p>The value reported for the borrower incentive curtailment amount is incorrect.</p> <p>Possible causes include, but are not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ A data entry error occurred. You may have applied this amount as principal reduction.</li> <li>▪ You did not apply the borrower incentive curtailment to reduce the unpaid principal balance on the loan history for the current cycle.</li> <li>▪ You do not agree with the amount issued for the borrower incentive curtailment and elected to report zero until the difference is resolved.</li> <li>▪ You do not agree with the amount issued for the borrower incentive curtailment and elected to report the amount you believe is the correct borrower incentive curtailment.</li> </ul> <p>Ensure the borrower incentive payment was posted accurately and reported in the Borrower Incentive Curtailment Amount field.</p> <p>If you do not agree with the payment amount, contact the Program Administrator at the following website to submit an incentive inquiry request: <a href="https://www.hmpadmin.com//portal/login.jsp">https://www.hmpadmin.com//portal/login.jsp</a>. A user ID and password are required for access.</p>
<b>How to Resolve</b>	<p>Submit a corrected transaction to reflect the borrower incentive curtailment amount Freddie Mac and the Program Administrator paid. Ensure the correct amount is reported in the Borrower Incentive Curtailment Amount field.</p> <p>Adjust your deposit to the custodial account for any change in principal due, if necessary.</p>

**Edit Code 715**

**Fatal Edit**

Exception Codes that May Receive this Edit: Blank (P&I transactions) 40, 50, 80, 91

<p><b>Description</b></p>	<p>Principal payment due error.                  This edit is generated when one or both of the following occur:</p> <ul style="list-style-type: none"> <li>▪ The principal due reported is not equal to the Freddie Mac expected value, and/or</li> <li>▪ The DDLPI reported does not correspond to the principal due reported. (For example, if two monthly principal payments are reported, then the DDLPI should move by two months.)</li> </ul> <p>Potential causes of this edit include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>▪ Principal reported for P&amp;I activity is not consistent for DDLPI</li> <li>▪ Incorrect P&amp;I constant reported</li> <li>▪ Incorrect prior cycle ending UPB</li> <li>▪ Incorrect or missing note rate</li> <li>▪ Incorrect borrower incentive curtailment</li> <li>▪ Curtailment reported on a delinquent loan</li> <li>▪ Negative principal reduction reported is not consistent for DDLPI reported</li> <li>▪ Principal reported not valid – modification processed in cycle</li> <li>▪ Principal reported on inactive loan is not an increment of a least one full monthly payment</li> <li>▪ Insufficient principal reported for full reinstatement</li> </ul>																
<p><b>How to Resolve</b></p>	<p>Identify the cause of the edit. This edit is typically caused by an error in the principal due reported or DDLPI reported.</p> <ul style="list-style-type: none"> <li>▪ Validate that the principal reported is the amount that was intended and not a data entry error.</li> <li>▪ Validate that the DDLPI reported is the date that was intended and not a data entry error.</li> </ul> <p>Correct any data entry errors and submit an updated transaction.</p> <p>If the edit is not the result of a data entry error in the principal due reported or DDLPI reported, validate the following data elements for accuracy as outlined below and submit an updated transaction.</p> <table border="1" data-bbox="318 1251 1523 1797"> <thead> <tr> <th data-bbox="318 1251 513 1335">Mortgage P&amp;I</th> <th data-bbox="513 1251 857 1335">If a mortgage P&amp;I payment change:</th> <th data-bbox="857 1251 1523 1335">Then:</th> </tr> </thead> <tbody> <tr> <td data-bbox="318 1335 513 1398"></td> <td data-bbox="513 1335 857 1398">Is expected</td> <td data-bbox="857 1335 1523 1398">Recalculate the mortgage P&amp;I.</td> </tr> <tr> <td data-bbox="318 1398 513 1482"></td> <td data-bbox="513 1398 857 1482">Is not expected</td> <td data-bbox="857 1398 1523 1482">Report the same mortgage P&amp;I that was reported last month.</td> </tr> <tr> <td colspan="3" data-bbox="318 1482 1523 1577">For step rate loans, refer to the Modification Agreement for the correct mortgage P&amp;I.</td> </tr> <tr> <td data-bbox="318 1577 513 1797">Note rate</td> <td colspan="2" data-bbox="513 1577 1523 1797"> <ul style="list-style-type: none"> <li>▪ The Note rate should not change unless the loan is an ARM that is in the month of the payment change date or has been modified.</li> <li>▪ The mortgage Note or the modification agreement is the official source for the Note rate.</li> <li>▪ For ARM loans, refer to the <i>ARM Notification Report</i> for the next rate and payment change dates.</li> </ul> </td> </tr> </tbody> </table>		Mortgage P&I	If a mortgage P&I payment change:	Then:		Is expected	Recalculate the mortgage P&I.		Is not expected	Report the same mortgage P&I that was reported last month.	For step rate loans, refer to the Modification Agreement for the correct mortgage P&I.			Note rate	<ul style="list-style-type: none"> <li>▪ The Note rate should not change unless the loan is an ARM that is in the month of the payment change date or has been modified.</li> <li>▪ The mortgage Note or the modification agreement is the official source for the Note rate.</li> <li>▪ For ARM loans, refer to the <i>ARM Notification Report</i> for the next rate and payment change dates.</li> </ul>	
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<b>Edit Code 715, continued</b>		
Exception Codes that May Receive this Edit: Blank (P&I transactions) 40, 50, 80, 91		<b>Fatal Edit</b>
<b>How to Resolve, continued</b>	DDLPI	The DDLPI must correlate to the number of full monthly principal payments reported. A full monthly principal payment is required to move the DDLPI by each month.
	Principal payment due	<ul style="list-style-type: none"> <li>▪ For a current or prepaid loan, any principal in excess of a full monthly payment will be applied as a curtailment.</li> <li>▪ Curtailments are not accepted on delinquent loans. Excess principal reported on a delinquent loan that does not equal a full monthly payment will cause the transaction to fail.</li> </ul>
	Prior cycle ending UPB	Use the correct prior cycle ending UPB to validate the principal payment due and the new mortgage P&I, if required.
	Negative principal reduction	The backward movement of the DDLPI must correlate to the number of full monthly principal payments being reversed.
	Full reinstatement	When reporting a full reinstatement to bring a loan current, all principal due must be reported with a current or prepaid DDLPI.

<b>Edit Code 801</b>								
Exception Codes that May Receive this Edit: Blank (P&I transactions) 40, 50, 70, 72, 80, 91		<b>Fatal Edit</b>						
<b>Description</b>	<p>Ending UPB must not be zero. You reported a transaction with an ending balance equal to zero, but you are not liquidating the loan.</p> <p>This edit is typically caused by one of the following:</p> <ul style="list-style-type: none"> <li>▪ A data entry error occurred.</li> <li>▪ An incorrect exception code was reported.</li> <li>▪ The last payment on the mortgage was collected, but not reported as a payoff.</li> </ul>							
<b>How to Resolve</b>	<p>Verify the correct ending balance and then refer to the following table:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">If:</th> <th style="text-align: left;">Then submit a transaction with the correct:</th> </tr> </thead> <tbody> <tr> <td>The ending balance is zero</td> <td>Payoff or third-party foreclosure sale exception code.</td> </tr> <tr> <td>The ending balance is not zero</td> <td>Ending balance.</td> </tr> </tbody> </table>		If:	Then submit a transaction with the correct:	The ending balance is zero	Payoff or third-party foreclosure sale exception code.	The ending balance is not zero	Ending balance.
If:	Then submit a transaction with the correct:							
The ending balance is zero	Payoff or third-party foreclosure sale exception code.							
The ending balance is not zero	Ending balance.							

<b>Edit Code 804</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 70, 72		
<b>Description</b>	<p>Ending UPB is not equal to previous cycle's ending UPB. You reported a change in principal balance for an inactive DIL/REO.</p> <p>This edit is typically caused by one of the following:</p> <ul style="list-style-type: none"> <li>▪ A data entry error occurred.</li> <li>▪ An incorrect exception code was reported.</li> </ul>	
<b>How to Resolve</b>	Verify the correct ending balance and submit an updated transaction.	

<b>Warning Code 806</b>	
Exception Codes that May Receive this Edit: 80	
<b>Description</b>	Negative amortization balance not adjusted due to balance correction (exception code 80). You reported a principal balance correction for a loan that allows negative amortization.
<b>How to Resolve</b>	This warning occurs any time exception code 80 is reported for a loan that allows negative amortization. Verify that the balance increase is appropriate for the loan. If it is, no action is needed. Otherwise, submit a corrected transaction.

<b>Edit Code 807</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 40, 50, 80, 91		
<b>Description</b>	Ending UPB must not be less than zero. You reported a negative ending unpaid principal balance.	
<b>How to Resolve</b>	Verify the correct information for this loan and submit another transaction.	

<b>Edit Code 810</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 60, 61, 65, 66, 67		
<b>Description</b>	<p>Payoff balance is greater than purchase balance. You reported a payoff transaction and the principal due is greater than the balance we paid for the loan.</p> <p>This edit occurs when a reported payoff balance is greater than the purchase amount, usually for one of the following reasons:</p> <ul style="list-style-type: none"> <li>▪ Data entry error.</li> <li>▪ Funding error (which may have been corrected through negative principal reduction).</li> <li>▪ A new loan purchased at the scheduled balance, but paid off prior to the first payment.</li> </ul>	
<b>How to Resolve</b>	<p>The payoff amount must be equal to our previous cycle's ending balance or the purchase amount if it is a new funding.</p> <p>Verify the loan balance and refer to the following:</p>	
	<b>If:</b>	<b>Then:</b>
	<p>The payoff balance reported is incorrect</p>	<ul style="list-style-type: none"> <li>▪ Submit a corrected transaction.</li> <li>▪ Adjust your deposit if you deposited the additional principal and interest in your custodial account.</li> </ul>
<p>The payoff balance reported is correct</p>	<ul style="list-style-type: none"> <li>▪ Research why it is greater than the purchase UPB.</li> <li>▪ Contact your Freddie Mac Loan Portfolio Specialist if you need assistance.</li> </ul>	
<b>Edit Code 811</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 80, 91		
<b>Description</b>	<p>The ending UPB, interest-bearing UPB and deferred UPB cannot be zero for an active loan. A data entry error may have occurred.</p>	
<b>How to Resolve</b>	<p>Report a payoff transaction to liquidate the outstanding balance of the deferred UPB.</p> <p>Verify the funds you have deposited. Deposit additional funds into your custodial account, if necessary.</p> <p><b>Note:</b> Monitor low-balance mortgages with a deferred UPB. When the borrower makes the last payment prior to the maturity date, you must also liquidate the deferred UPB.</p>	
<b>Edit Code 813</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 80, 91		
<b>Description</b>	<p>The amount reported for the current UPB is not equal to the sum of the interest-bearing UPB and deferred UPB. A data entry error may have occurred.</p>	
<b>How to Resolve</b>	<p>Verify the unpaid principal balances. Submit a corrected transaction and ensure that the current UPB equals the sum of the interest-bearing UPB and deferred UPB.</p>	

<b>Edit Code 814</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 40, 50, 70, 80, 91		
<b>Description</b>	<p>The interest-bearing UPB must not be zero for an inactivation, reinstatement, transfer to REO, or balance correction.</p> <p>You may have selected an incorrect transaction type/exception code. When the interest-bearing UPB equals zero, you must report a payoff or third-party foreclosure sale transaction to liquidate the entire UPB, including any remaining deferred balance.</p>	
<b>How to Resolve</b>	<p>Verify the interest-bearing UPB. Make the necessary changes and submit a corrected transaction. Deposit additional funds, as necessary, to account for any changes in principal due.</p>	

<b>Edit Code 815</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 40, 50, 70, 80, 91		
<b>Description</b>	<p>The deferred UPB must not be zero for an inactivation, reinstatement, transfer to REO, or principal balance correction.</p> <p>Possible causes include the following:</p> <ul style="list-style-type: none"> <li>▪ A data entry error occurred.</li> <li>▪ Your system was updated with an incorrect value for the deferred UPB at time of modification.</li> <li>▪ Inaccurate values for the deferred principal curtailment amount have been reported in prior cycles.</li> </ul>	
<b>How to Resolve</b>	<p>Verify the deferred UPB. Make the necessary changes and submit a corrected transaction. Verify the funds you have deposited. Deposit additional funds, as necessary, to account for any changes in principal due.</p>	

<b>Edit Code 816</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 60, 61, 65, 67, 71		
<b>Description</b>	<p>You reported a liquidation, but the ending interest-bearing UPB is not equal to zero. The ending UPB for liquidations must be equal to zero. This edit may result from a data entry error or you may have reported an incorrect exception code.</p>	
<b>How to Resolve</b>	<p>Verify the type of transaction you want to report. Submit another transaction with the correct exception code.</p> <p>Verify the funds you have deposited. Adjust your deposit to the custodial account for any change in principal due, if necessary.</p>	

<b>Edit Code 817</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 60, 61, 65, 67, 71		
<b>Description</b>	<p>You reported a liquidation, but the ending deferred UPB is not equal to zero. The ending UPB for liquidations must be equal to zero. This edit may result from a data entry error or you may have reported an incorrect exception code.</p>	
<b>How to Resolve</b>	<p>Verify the type of transaction you want to report. Submit another transaction with the correct exception code.</p> <p>Verify the funds you have deposited. Adjust your deposit to the custodial account for any change in principal due, if necessary.</p>	

<b>Edit Code 818</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 70, 71		
<b>Description</b>	<p>The interest-bearing UPB reported for the current cycle for an inactive REO/DIL loan is not equal to the previous interest-bearing UPB.</p> <p>Possible causes include the following:</p> <ul style="list-style-type: none"> <li>▪ A data entry error occurred.</li> <li>▪ An incorrect exception code was reported.</li> <li>▪ A partial payment was applied to a loan in an inactive status.</li> </ul>	
<b>How to Resolve</b>	Refer to the following table to determine what action you must take to resolve the edit.	
	<b>If you:</b>	<b>Then:</b>
	Did not receive a payment	Submit a corrected transaction and ensure the interest-bearing UPB equals the prior cycle's interest-bearing UPB.
	Reported an incorrect exception code	Submit another transaction with the correct exception code.

<b>Edit Code 819</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions) 40, 70, 71, 80, 91		
<b>Description</b>	<p>The deferred UPB is not equal to previous cycle's ending deferred UPB. You reported a change in the deferred UPB for a loan that is inactive.</p> <p>Possible causes include the following:</p> <ul style="list-style-type: none"> <li>▪ A data entry error occurred.</li> <li>▪ An incorrect exception code was reported.</li> <li>▪ A partial curtailment was applied the deferred UPB for loan in an inactive status.</li> </ul>	
<b>How to Resolve</b>	Refer to the following table to determine what action you must take to resolve the edit.	
	<b>If you:</b>	<b>Then:</b>
	Did not receive a payment	Submit another transaction and ensure the deferred UPB equals the prior cycle's deferred UPB.
	Reported an incorrect exception code	Submit another transaction with the correct exception code.
	Verify the funds you have deposited. Adjust your deposit to the custodial account for any change in principal due, if necessary.	

<b>Edit Code 822</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 50, 80, 91		
<b>Description</b>	<p>The ending interest-bearing UPB reported is less than zero and the loan does not allow negative amortization.</p> <p>Possible causes include the following:</p> <ul style="list-style-type: none"> <li>▪ A data entry error occurred.</li> <li>▪ An incorrect exception code was reported.</li> </ul>	
<b>How to Resolve</b>	<p>Verify the correct transaction type and interest-bearing UPB for the loan. Submit another transaction with the correct exception code and interest-bearing UPB value.</p> <p>Verify the funds you have deposited. Adjust your deposit to the custodial account for any change in principal or interest due, if necessary.</p>	

<b>Edit Code 823</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 50, 80, 91		
<b>Description</b>	<p>The ending deferred UPB reported is less than zero.</p> <p>Possible causes include the following:</p> <ul style="list-style-type: none"> <li>▪ A data entry error occurred.</li> <li>▪ The deferred UPB was miscalculated.</li> </ul>	
<b>How to Resolve</b>	<p>Verify the correct deferred UPB for the loan. Submit another transaction with the correct deferred UPB value.</p> <p>Verify the funds you have deposited. Adjust your deposit to the custodial account for any change in principal due, if necessary.</p>	

<b>Edit Code 826</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 80, 91		
<b>Description</b>	<p>The loan has reached maturity and must be paid off during the current cycle.</p> <p>Possible causes include, but are not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ Incorrect maturity date provided by Seller at funding</li> <li>▪ Incorrect exception code reported</li> </ul>	
<b>How to Resolve</b>	<p>Submit a corrected transaction to pay off the loan using exception code 60 (Payoff – Matured).</p> <p>Verify the funds you have deposited. Adjust your deposit to the custodial account for any change in proceeds, if necessary.</p>	

<b>Edit Code 827</b>		<b>Fatal Edit</b>								
Exception Codes that May Receive this Edit: 80										
<b>Description</b>	<p>The current UPB is greater than the purchase UPB. You are reporting negative principal reduction that increases the UPB above the purchased UPB. Possible causes include, but are not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ Funding error</li> <li>▪ Data entry error</li> <li>▪ A new loan purchased and delivered at the scheduled balance</li> <li>▪ You updated the terms of a modification on your system before Freddie Mac completed the modification.</li> </ul>									
<b>How to Resolve</b>	<p>Determine the cause of the edit and refer to the following table:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">If the edit is the result of:</th> <th style="text-align: left;">Then:</th> </tr> </thead> <tbody> <tr> <td>A data entry error</td> <td>Submit a corrected transaction.</td> </tr> <tr> <td>A funding-related error</td> <td>Contact your Freddie Mac Loan Portfolio Specialist to resolve. Ensure you have the Note and <i>Funding Detail Report</i> for reference prior to contacting Freddie Mac.</td> </tr> <tr> <td>The terms of a modification being updated on your system before Freddie Mac completed the modification</td> <td>Submit a corrected transaction. Monitor the <i>Modifications Status Report</i>, available in the Service Loans application, to identify settled modifications and modifications in error.</td> </tr> </tbody> </table> <p>Verify the funds you have deposited. Adjust your deposit to the custodial account for any change in principal due, if necessary.</p>		If the edit is the result of:	Then:	A data entry error	Submit a corrected transaction.	A funding-related error	Contact your Freddie Mac Loan Portfolio Specialist to resolve. Ensure you have the Note and <i>Funding Detail Report</i> for reference prior to contacting Freddie Mac.	The terms of a modification being updated on your system before Freddie Mac completed the modification	Submit a corrected transaction. Monitor the <i>Modifications Status Report</i> , available in the Service Loans application, to identify settled modifications and modifications in error.
If the edit is the result of:	Then:									
A data entry error	Submit a corrected transaction.									
A funding-related error	Contact your Freddie Mac Loan Portfolio Specialist to resolve. Ensure you have the Note and <i>Funding Detail Report</i> for reference prior to contacting Freddie Mac.									
The terms of a modification being updated on your system before Freddie Mac completed the modification	Submit a corrected transaction. Monitor the <i>Modifications Status Report</i> , available in the Service Loans application, to identify settled modifications and modifications in error.									
<b>Edit Code 828</b>		<b>Fatal Edit</b>								
Exception Codes that May Receive this Edit: 80										
<b>Description</b>	<p>The interest-bearing UPB reported for the current cycle is greater than the original modified/recast interest-bearing UPB. You reported an interest-bearing UPB value that is greater than the original interest-bearing unpaid principal balance for the modification or recast. Possible causes include, but are not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ Data entry error</li> <li>▪ Loan modification error</li> </ul>									
<b>How to Resolve</b>	<p>Contact your Freddie Mac Workout Support representative to resolve UPB errors due to modification. Do not report negative principal reduction to correct modification errors. If the loan has not been modified, submit another transaction with the correct interest-bearing UPB amount.</p> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▪ This edit may appear in future cycles until the variance between the interest-bearing UPB on your system and Freddie Mac's interest-bearing UPB has been resolved.</li> <li>▪ Verify the funds you have deposited. Adjust your deposit to the custodial account for any change in principal due, if necessary.</li> </ul>									

<b>Edit Code 829</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 80		
<b>Description</b>	<p>The current deferred UPB is greater than the original deferred UPB.            You reported a deferred UPB value that is greater than the original deferred unpaid principal balance for the modification.</p> <p>Possible causes include, but are not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ Data entry error</li> <li>▪ Loan modification error</li> </ul>	
<b>How to Resolve</b>	<p>Contact your Freddie Mac Workout Support representative to resolve UPB errors due to modification. Do not report negative deferred principal curtailment payments to correct modification errors.</p> <p>If the loan has not been modified, submit another transaction with the correct deferred UPB amount.</p> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▪ This edit may appear in future cycles until the variance between the deferred UPB on your system and Freddie Mac's deferred UPB has been resolved.</li> <li>▪ Verify the funds you have deposited. Adjust your deposit to the custodial account for any change in principal due, if necessary.</li> </ul>	

<b>Edit Code 900</b>		<b>System-Cleared Edit</b>						
Exception Codes that May Receive this Edit: May occur with any exception code.								
<b>Description</b>	<p>Prepayment penalty must be zero.            You reported a prepayment penalty that is not due to us.</p>							
<b>How to Resolve</b>	<p>Verify if a prepayment penalty is due, per the Note.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"><b>If, per the Note, a prepayment penalty:</b></th> <th><b>Then:</b></th> </tr> </thead> <tbody> <tr> <td>Is due</td> <td>Contact your Freddie Mac Loan Portfolio Specialist.</td> </tr> <tr> <td>Is not due</td> <td>We will process the transaction with no prepayment penalty. Withdraw and return to the borrower, any prepayment penalties you collected, but are not due to us.</td> </tr> </tbody> </table>		<b>If, per the Note, a prepayment penalty:</b>	<b>Then:</b>	Is due	Contact your Freddie Mac Loan Portfolio Specialist.	Is not due	We will process the transaction with no prepayment penalty. Withdraw and return to the borrower, any prepayment penalties you collected, but are not due to us.
<b>If, per the Note, a prepayment penalty:</b>	<b>Then:</b>							
Is due	Contact your Freddie Mac Loan Portfolio Specialist.							
Is not due	We will process the transaction with no prepayment penalty. Withdraw and return to the borrower, any prepayment penalties you collected, but are not due to us.							

<b>Edit Code 910</b>		<b>Fatal Edit</b>	
Exception Codes that May Receive this Edit: Blank (P&I transactions) 40, 50, 80, 91			
<b>Description</b>	<p>P&amp;I constant mismatch. The P&amp;I constant reported does not match Freddie Mac’s expected P&amp;I constant.</p> <p>Potential causes include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>▪ Data entry error</li> <li>▪ Recast P&amp;I miscalculated</li> <li>▪ Recast reported during prepaid period</li> <li>▪ Exception code 91 not reported for a recast</li> <li>▪ A modification was processed, therefore a new P&amp;I amount is expected</li> <li>▪ P&amp;I change expected for a step-rate mortgage</li> <li>▪ P&amp;I change reported for a step-rate mortgage is incorrect</li> <li>▪ P&amp;I constant change for an ARM not expected</li> <li>▪ ARM change error</li> <li>▪ Funding error</li> </ul>		
<b>How to Resolve</b>	Refer to the following table:		
	<b>If:</b>	<b>Then:</b>	
	You reported a P&I transaction	Verify the following data elements: <ul style="list-style-type: none"> <li>▪ Current mortgage P&amp;I</li> <li>▪ Prior cycle ending UPB</li> <li>▪ Remaining months to maturity or maturity date</li> <li>▪ Note rate</li> <li>▪ Prior cycle DDLPI</li> </ul>	
		<b>If:</b>	<b>Then:</b>
		No change is expected in this accounting cycle	Submit an updated transaction with the same mortgage P&I as the prior cycle.
A change is expected in this accounting cycle	Refer to the instructions on the following page.		

<b>Edit Code 910, continued</b>		<b>Fatal Edit</b>	
Exception Codes that May Receive this Edit: Blank (P&I transactions) 40, 50, 80, 91			
	<b>If:</b>	<b>Then:</b>	
<b>How to Resolve, continued</b>	You reported exception code 91 (Recast)	<p>Consider the following questions:</p> <ul style="list-style-type: none"> <li>▪ Did you intend to report a new mortgage P&amp;I payment? If no change was intended, the value should be the same as last cycle. Submit a P&amp;I transaction.</li> <li>▪ Was a sufficient amount of principal curtailment reported in a previous cycle to support the new mortgage P&amp;I? The new mortgage P&amp;I will not be accepted unless the correct curtailment was reported in previous cycles. If the correct curtailment amount was not previously submitted, submit an updated transaction to report the correct principal curtailment and current mortgage P&amp;I for the current cycle; report exception code 91 (Recast) and the new mortgage P&amp;I amount in the next cycle.</li> <li>▪ Were the correct data elements used to calculate the new mortgage P&amp;I? Recalculate the mortgage P&amp;I using the correct Note rate, remaining months to maturity, prior cycle ending UPB, and prior cycle DDLPI. Submit an updated transaction with the correct mortgage P&amp;I and exception code 91.</li> </ul>	
	The loan is an ARM/IO (when fully amortizing)	Validate the following data elements and take corrective action as necessary.	
		Rate Change Date	The mortgage Note value takes precedence. If the rate change date is the current cycle, a new mortgage P&I should be reported in the next cycle. Submit an updated transaction.
		Payment Change Date (Interest Rate Change Date plus one month)	The mortgage Note value takes precedence. If the payment change date is the current cycle a new mortgage P&I should be reported in the current cycle. Submit an updated transaction.
		Note Rate	In the rate change cycle, you must recalculate the mortgage Note rate in accordance with the terms of Note. Submit an updated transaction with the correct Note rate.
		Current Mortgage P&I	If no mortgage P&I change is expected, the mortgage P&I should not change from the prior cycle. Submit an updated transaction with the correct P&I payment. Notify Freddie Mac if an incorrect mortgage P&I was previously reported and processed.
		Remaining Months to Maturity	Recalculate the mortgage P&I using the correct remaining months to maturity. Submit an updated transaction.

<b>Edit Code 910, continued</b>			<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions) 40, 50, 80, 91			
<b>How to Resolve, continued</b>	<b>If:</b>	<b>Then:</b>	
	The loan is an ARM/IO (when fully amortizing)	Validate the following data elements and take corrective action as necessary.	
		Index	Calculate the new Note rate based on the appropriate index in the month of the rate change date. Submit an updated transaction. Contact Freddie Mac to discuss discrepancies.
		Rate change frequency	Validate the rate change frequency per the Note. This impacts rate changes. Submit an updated transaction. Update your system records accordingly. Contact us if our system does not match the rate change frequency stated in the Note.
		Lookback Period	Validate the lookback period per the Note. This impacts rate changes. Submit an updated transaction. Contact Freddie Mac to resolve discrepancies.
	Margin	Validate the margin per the Note. This impacts rate changes. Submit an updated transaction.	
The loan is a step rate	Refer to the Loan Modification Agreement to validate the mortgage P&I. Submit an updated transaction with the correct mortgage P&I per the Loan Modification Agreement.		
<b>Edit Code 911</b>			<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: 91			
<b>Description</b>	<p>P&amp;I constant mismatch with recast code. You reported exception code 91 (P&amp;I recast) and the P&amp;I constant reported is equal to or greater than the previous P&amp;I constant. When reporting a recast, the new P&amp;I constant should be less than the previous P&amp;I constant.</p> <p>Potential causes include the following:</p> <ul style="list-style-type: none"> <li>▪ Data entry error</li> <li>▪ Exception code 91 reported in error</li> <li>▪ P&amp;I constant miscalculated</li> </ul>		
<b>How to Resolve</b>	<b>If you:</b>	<b>Then:</b>	
	Intended to report a recast	Recalculate the new P&I constant and submit an updated transaction.	
Did not intend to report a recast	Submit an updated transaction without exception code 91 (Recast).		

<b>Edit Code 912</b>		<b>Fatal Edit</b>
Exception Codes that May Receive this Edit: Blank (P&I transactions), 40, 50, 80		
<b>Description</b>	<p>For an ARM or interest only (IO) loan, a mortgage P&amp;I constant change is expected, but was not reported.</p> <p>Potential causes include the following:</p> <ul style="list-style-type: none"> <li>▪ Data entry error</li> <li>▪ Incorrect IO conversion date</li> <li>▪ Incorrect payment change date</li> </ul> <p><b>Note:</b> For ARMs, no P&amp;I constant change is expected if the index remained the same at the ARM interest rate change date, or if the loan has reached the payment or rate cap. This edit applies only to ARM or IO loans.</p>	
<b>How to Resolve</b>	<b>For:</b>	<b>Take the following action(s):</b>
	IO loans	The mortgage P&I must change in the month the loan becomes fully amortizing. Submit an updated transaction with the new mortgage P&I.
	ARMs	Report the new adjusted mortgage P&I and the new adjusted Note Rate in the cycle of the ARM payment change date. However, if the index did not change, no rate or mortgage P&I change is expected. Submit an updated transaction as necessary.

<b>Warning Code 914</b>	
Exception Codes that May Receive this Edit: 91	
<b>Description</b>	P&I recast has been processed. You reported exception code 91 (P&I Recast) and we have successfully processed the transaction.
<b>How to Resolve</b>	No action is necessary. This warning message is a notification that the P&I recast you reported has been processed.

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