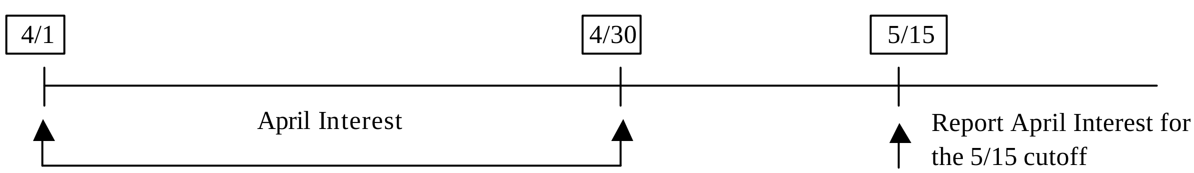
Reporting and Remitting Tips for Investor Accounting

Accurate and timely reporting and remitting are essential for quality Servicer performance. This quick reference highlights Freddie Mac's requirements for reporting and remitting funds for your investor accounting activity.

For additional information on reporting and remitting, refer to Chapter 78 of the *Single-Family Seller/Servicer Guide*.

Reporting Loan-level Transactions

- Report one loan-level transaction for every loan, each month. All activity is summarized in one transaction.
- When reporting, be sure to mark a correction to a previously reported loan-level transaction as a revision. If the loan-level transaction is not marked as a revision, it is possible that your intended data correction will not be processed.
- Report revisions to previously reported loan-level transactions four days prior to the end of the month (EOM – 4). Reporting revisions by EOM – 4 ensures that the revisions you report are applied to the appropriate accounting cycle.
- Freddie Mac ties to the current cycle's ending unpaid principal balance (UPB) you report. Verify that you are reporting the correct amount of principal reduction by subtracting the current cycle's ending UPB from the beginning UPB. If the ending UPB increases from the previous cycle, report the transaction using exception code 80, principal balance correction.
- Monthly interest is always due in arrears. For example, for the May cycle (5/15 cutoff), you will report the interest you collected for April.



- Ensure that you have designated and trained a back-up person to report and remit funds for investor accounting activity to Freddie Mac.

Payoffs

- Report prepaid and mature payoffs by the second business day after the payoff date.
- The principal due reported for a payoff should equal the current cycle's beginning UPB.
- There are two remitting due dates for payoffs:
  - Payoff proceeds (principal due and exception interest) are due by the fifth business day after the payoff date. Therefore, you must complete your remittance call-in by 9:00 p.m. Eastern time on the fourth business day after the payoff date.
  - Monthly interest is due based on the mortgage's contract-specified remittance due date.
- To verify that Freddie Mac has received your payoff transaction, print the confirmation message from MIDANET® for the PC on the next business day.

Printing Confirmation Messages

You can confirm that Freddie Mac has received your transmission by viewing and printing the confirmation messages.

1. From the MIDANET Main Menu, select option 4, **Communications**.
2. From the Communications Menu, select option 3, **Process Transmission Confirmations**. The List Confirmation Messages screen displays. From this screen, you can browse, print, or delete confirmation messages as needed.

Daily and Monthly Reports

- Print and review the *Edits to be Cleared* report daily. This report identifies loan-level transactions reported with edits that Freddie Mac's system cannot resolve.
  - Take immediate action to resolve the edits and transmit revisions to Freddie Mac. However, do not send a revision to correct 101e errors. A 101e edit indicates an invalid loan number or a loan that has been closed in Freddie Mac's system. If the 101e is a valid transaction, retransmit the loan using the correct loan number.
  - Determine if you need to adjust a remittance due to a reporting error.
- Print and review the *System Cleared Edits* report daily.
  - Send revisions to correct edits, as necessary.
  - Determine if you need to adjust a remittance due to a reporting error.
- Print and review the *Monthly Account Statement* each month. Reconcile your principal and interest (P&I) custodial account to the ending balance on the *Monthly Account Statement*.
- Print and review the *Loan Reconciliation Difference* report each month. This report summarizes every loan-level transaction that was not immediately accepted during the cycle due to a reporting discrepancy or simulation of a transaction. Use this report to correct your system so the edit does not occur again, and to identify adjustments that you may need to make to your GPI remittance or P&I custodial account.

Printing Daily and Monthly Reports from MIDANET for the PC

To print the daily edit reports and monthly reconciliation reports, perform the following steps:

1. From the MIDANET Main Menu, select option 4, **Communications** .
2. From the Communications Menu, select option 1, **Receive Other Data**. The MIDANET system will automatically dial into the network and retrieve all mail waiting in your queue.
3. Press F10 or the escape key to return to the MIDANET Main Menu.
4. From the MIDANET Main Menu, select option 5, **Administration**.
5. From the Administration Menu, select option 6, **Process Freddie Mail**. The system displays a list of reports by name, in reverse chronological order.
6. Use the arrow key to select the appropriate function and press Enter.

Remember to delete old mail and use the Automated Archive process to maintain space in your Freddie Mail.

Remitting Funds to Freddie Mac

Remitting is the process of sending funds to Freddie Mac for the loan-level transactions that Freddie Mac has processed.

- Remit funds through our service bureau, Global Payments Inc. (GPI).
- You may access GPI from a touch-tone phone or online via Investor Accounting Manager℠, available on GoldWorks.
- Reporting and remitting are separate functions. Remit funds on time even if you are having difficulty reporting the transaction.
- Complete your remittance no later than 9:00 p.m. Eastern time, the business day prior to the remittance due date. The funds are drafted from your account the business day after you complete your call-in to GPI.
- You determine the amount drafted from your bank account. Freddie Mac drafts only the amount you remit through GPI. Always retain the verification code for your records.
- Refer to Freddie Mac's *Due Date Calendar for Monthly Reporting and Remitting* to determine when funds are due to us.
- Create and maintain a log of the remittances you make. Include the following:
  - Date, time, and amount of each remittance
  - Type (payoff or non-payoff)
  - Four-digit verification code

Investor Accounting Manager

Investor Accounting Manager℠ is a web-based application available on Freddie Mac's GoldWorks network that can help you proactively manage your investor accounting activities for your Freddie Mac portfolio.

With Investor Accounting Manager, you can

- Check your cash balance every day.
- Remit funds online through the GPI interface.
- View, print, and download daily and monthly reports.
- Order preliminary *Monthly Account Statements* and *Loan Reconciliation Difference* reports.
- Use the Create Your Own Report option to design customized reports.
- Order trial balances anytime.

To sign up for Investor Accounting Manager, contact (800) FREDDIE.

When You Need Assistance

Contact (800) FREDDIE for the following:

- General questions about reporting requirements
- MIDANET for the PC walkthroughs
- Technical support
- Verification that Freddie Mac has received your transmission
- MIDANET for the PC software, updates and publications

Contact your Loan Portfolio Specialist with specific loan-level questions.