

# Overview of the Selling Representation and Warranty Framework

(Versions 1 and 2)

## What is the selling representation and warranty framework?

Under the selling representation and warranty framework, Freddie Mac will not exercise its remedies, including the issuance of a repurchase request, for breaches of certain representation and warranty requirements outlined in Guide Section 1301.11. These requirements are related to underwriting the borrower, the property, and the project in which the property is located. If the mortgage meets certain eligibility requirements and an acceptable borrower payment history has been established, or if under Version 2 of the framework, has a satisfactory conclusion of a Freddie Mac quality control review, then the mortgage will obtain representation and warranty relief under the framework. Sellers continue to be responsible for underwriting and delivering investment-quality mortgages according to the requirements of their Purchase Documents under this framework. For the life of the loan, Seller/Servicers are responsible for certain representations and warranties.

## Which mortgages are eligible?

To be eligible for the selling representation and warranty framework (Versions 1 or 2), a mortgage must:

- Be a conventional mortgage delivered to Freddie Mac through a flow purchase contract.
- Have a Freddie Mac Settlement Date on or after January 1, 2013 and before July 1, 2014 (Version 1) OR on and after July 1, 2014 (Version 2).
- Have established an acceptable payment history; or for Version 2, a satisfactory conclusion of a Freddie Mac quality control review. (*Refer to pages 2 and 3.*)
- Not be a mortgage that Freddie Mac and the Seller/Servicer have agreed is subject to any credit enhancement other than primary mortgage insurance.
- Not have any outstanding request for a repurchase, a repurchase alternative or a make-whole.

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

***For complete information on Freddie Mac's selling representation and warranty framework, refer to Guide Section 1301.11.***

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

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# Version 1 – for Mortgages with Freddie Mac Settlement Date on or after January 1, 2013 and before July 1, 2014

# Acceptable Payment History

(Must meet the following requirements)

## All Mortgages (except Relief Refinance Mortgages)

Freddie Mac Settlement Date

- No 30-day or greater delinquencies

OR

- No more than two 30-day delinquencies, **and**
- No 60-day or greater delinquencies during the first 36 monthly payments;

AND

- Not 30 or more days delinquent with respect to the 60th monthly payment

36th Mo. Payment

60th Mo. Payment

## Relief Refinance Mortgages

Freddie Mac Settlement Date

- No 30-day or greater delinquencies

OR

- No more than two 30-day delinquencies, **and**
- No 60-day or greater delinquencies during the first 36 monthly payments;

AND

- Not 30 or more days delinquent with respect to the 60th monthly payment

12th Mo. Payment

36th Mo. Payment

60th Mo. Payment

(Must meet the following requirements)

**All Mortgages (except Relief Refinance Mortgages)**

Freddie Mac Settlement Date

- No more than two 30-day delinquencies **and**
- No 60-day or greater delinquencies

**AND**

- Not 30 or more days delinquent with respect to the 36th monthly payment

**OR**

A satisfactory conclusion of a Freddie Mac quality control review (can occur at any time)

36th Mo. Payment

**Relief Refinance Mortgages**

Freddie Mac Settlement Date

- No 30-day or greater delinquencies

**OR**

- No more than two 30-day delinquencies **and**
- No 60-day or greater delinquencies

**AND**

- Not 30 or more days delinquent with respect to the 36th monthly payment

**OR**

A satisfactory conclusion of a Freddie Mac quality control review (can occur at any time)

12th Mo. Payment

36th Mo. Payment