

# Single-Security At-A-Glance

## What You Need to Know About Loan Deliveries

With the Single Security Initiative implementation on June 3, 2019, Freddie Mac will no longer issue 45-day Gold PCs and start issuing 55-day Uniform Mortgage-Backed Securities™ (UMBS™) and Supers, which can be traded in the TBA (to-be-announced) market, and MBS and Giant MBS which are non-TBA-eligible. Freddie Mac will also introduce a 55-day, 10-year TBA-eligible security product. What does this mean for our Seller/Service providers?

### There will be no change in the way you:

- Interact with Loan Selling Advisor®
  - Taking out guarantor and cash contracts
  - Delivering ULDD files through Loan Selling Advisor
- Use Loan Product Advisor® and Loan Quality Advisor®
- Receive securities with a guarantor or multilender transaction
- Service loans. However, please be aware of the changes related to the Investor Reporting Change Initiative (IRCI).

### If you sell loans with a guarantor/multilender execution:

- Loan Selling Advisor will reflect new 55-day product IDs for TBA and non-TBA securities.
  - Loan Selling Advisor has been updated, ready to accept the new prefix and pooling convention for our 55-day securities. The new prefix field is now available for export.
  - The 55-day prefix values will take effect for settlement dates on or after June 3, 2019.
  - Our [Prefix Library](#) lists our new 55-day products.
  - See the [Single Security Market Adoption Playbook](#) for details.
- Pricing will be displayed in the same way.
  - Prior to June 3, multiple rows may be visible in the Request Price screen for each Pricing Identifier during the IRCI and Single Security transition periods.

- Prior to June 3 you may choose to receive a Gold PC, a UMBS or an MBS depending on the settlement date you choose.
- On and after June 3, you will only receive a 55-day security.
- For loans sold under fixed-rate Guarantor or MultiLender Swap programs with settlement dates on and after June 3, 2019:
  - Mortgage note rates for UMBS and MBS pools must be no less than 25 bps and no greater than 112.5 bps over the pool coupon rate.
  - The minimum contract servicing spread for loans in UMBS and MBS pools shall remain at 25 bps and may not exceed 50 bps.
- New 10-year security will be available for TBA-eligible mortgage pools but not for 10-year non-TBA mortgage pools.
  - Distinct 10-year pricing for TBA-eligible mortgages will be offered.
  - A buyup/buydown grid for the 10-year products will be added.
  - 10-year non-TBA loans should still be pooled with 15-yr fixed-rate mortgage pools.
  - 15-year pricing will be applied to non TBA-eligible securities, as currently practiced.
- Buyup/buydown grid will display an updated list of products
  - When you request a buyup/buydown grid, the rate sheet screen in Loan Selling Advisor and its corresponding XML output file will display an updated list of security products that aligns with our implementation of the Single Security Initiative.
  - If you have questions about the changes, please contact your pricing manager or your technology integration representative at Freddie Mac.

## If you sell loans with a cash execution

- Beginning on June 3, a new 10-year cash contract will be available.
  - Distinct 10-year pricing for TBA- and non-TBA-eligible mortgages will be offered.
  - New rate sheets for 10-year loans will be provided.
  - 10-year loans may no longer be allocated to 15-year contracts.
  - The 10-year cash payup will be embedded in the 10-year contract price and no longer be a separate payup.
  - A new cash specified option will be available for 10-year super conforming mortgages.

## For More Information

- [Single Security Market Adoption Playbook](#)
- [Freddie Mac Prefix Library](#)
- [Single Family Seller/Servicer Guide Bulletin 2018-24](#)
- [March 5, 2019 Industry Letter](#)
- [Single Security web pages](#)

Additional questions? Call your Freddie Mac representative or email us at [single\\_security@freddiemac.com](mailto:single_security@freddiemac.com)