



Freddie Mac Standard Delivery Option

The Standard delivery option is available for all Freddie Mac mortgage purchase programs. It is the option you use unless you request Early Rate-Lock. No matter which mortgage delivery option you choose, Freddie Mac's knowledgeable underwriting staff will work with you and your lender to move your mortgage quickly through the approval process.

How it Works

Application

Freddie Mac uses a two-stage application process for loans. First, your Freddie Mac-approved lender submits a preliminary package containing introductory information on the property, borrower, management and market for the proposed loan to the appropriate Freddie Mac Multifamily Regional Office. If the loan presented in the preliminary package appears to meet the selected mortgage program requirements, Freddie Mac will issue a verbal quote and invite your lender to submit a full underwriting package.

Approval, Commitment, and Interest Rate-Lock

Once the full underwriting package has been received, and we determine that it meets Freddie Mac's investment criteria, Freddie Mac will issue a letter of commitment to your lender. The letter of commitment sets forth all of the important terms and conditions of the mortgage including the mortgage spread over the applicable Treasury security and the manner of selecting the interest rate. Once the letter of commitment has been accepted, your lender will have a specific period of time to lock the interest rate and fix the mortgage amount and terms. Freddie Mac uses "real-time pricing" in order to provide the best pricing to borrowers. Our Bloomberg pricing systems enable us to use on-the-run U.S. Treasury securities as our benchmarks and up-to-the minute yields to lock rates.

Loan Delivery

Your lender will be obligated to deliver the approved mortgage on standard Freddie Mac-approved documents within 30 days of the rate-lock. A 2% nondelivery fee will be assessed to your lender for failure to satisfy a mandatory delivery contract.

Fees

- **Application Fee:** A nonrefundable application fee of 0.1% of the loan amount is payable to Freddie Mac along with the submission of the full underwriting package.
- **Good Faith Deposit/Commitment Fee:** Since Freddie Mac charges lenders a 2% nondelivery fee for failure to satisfy a mandatory delivery contract, lenders require borrowers to post a 2% good faith deposit/commitment fee prior to rate-lock.