



Insurance Compliance Tool (ICT) 1.1

Enhancement Training

June 2013



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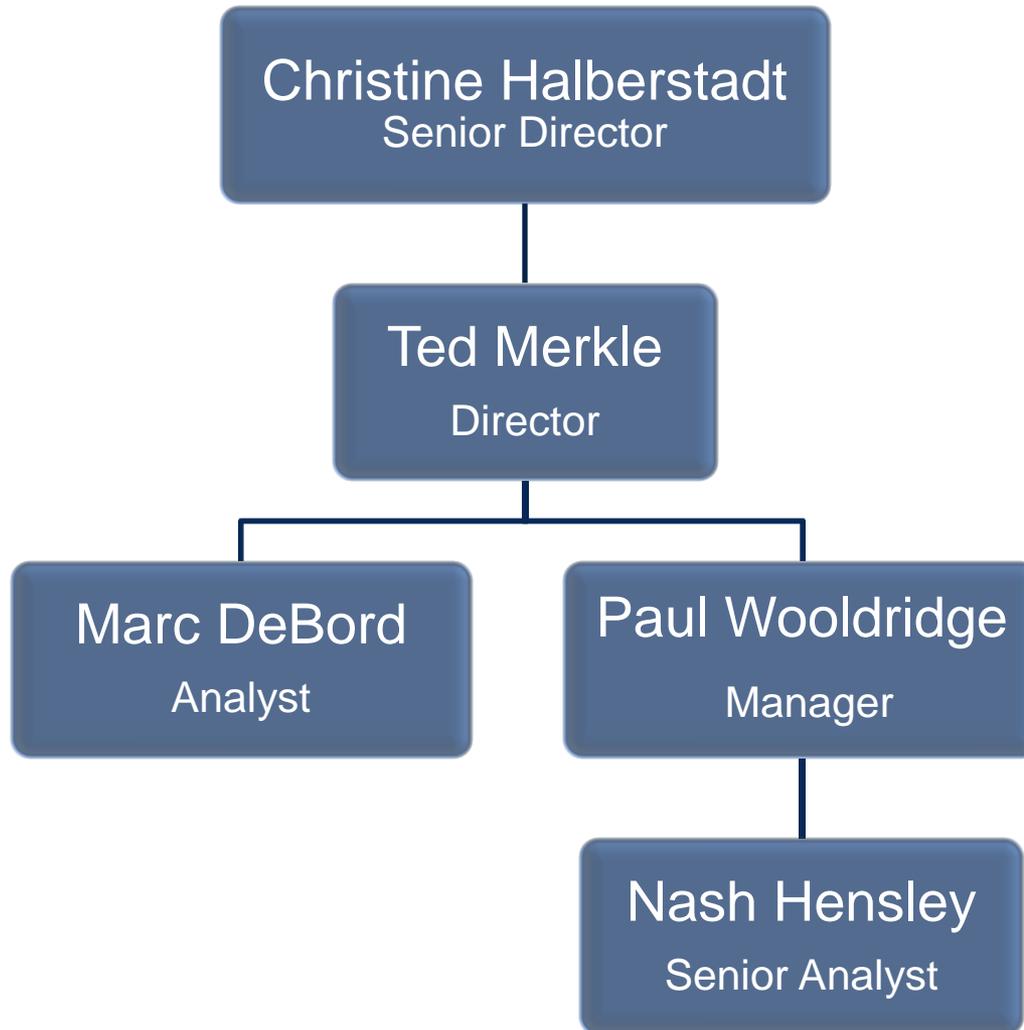
(To access the recorded webinar, click [here](#))

Agenda

- Introduction
- Enhancements
- Support
- Questions



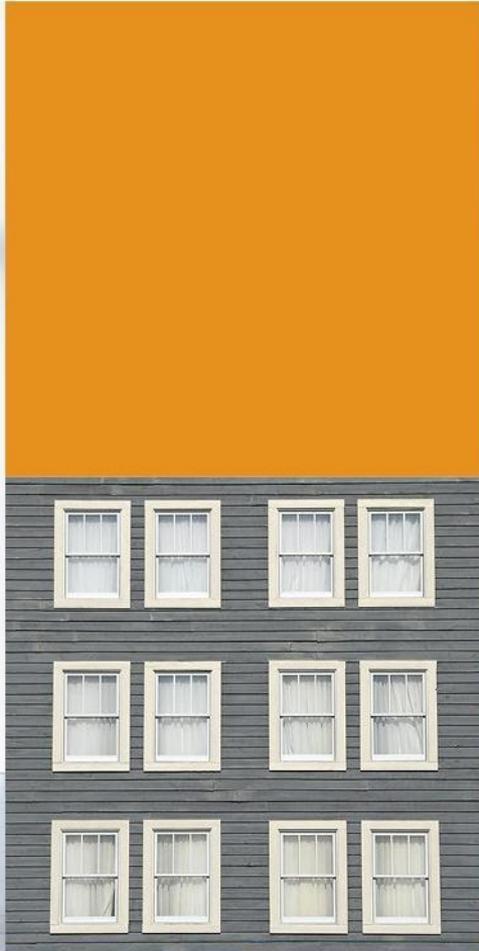
Our Team



Introduction

- The Multifamily Insurance Compliance Tool (ICT) Version 1.0 was launched 18 months ago
- Freddie Mac's Multifamily Insurance Team has tracked suggestions and pain points from all users
- Many of those have been incorporated into an enhanced version – ICT 1.1





Enhancements

Enhancements - Overview

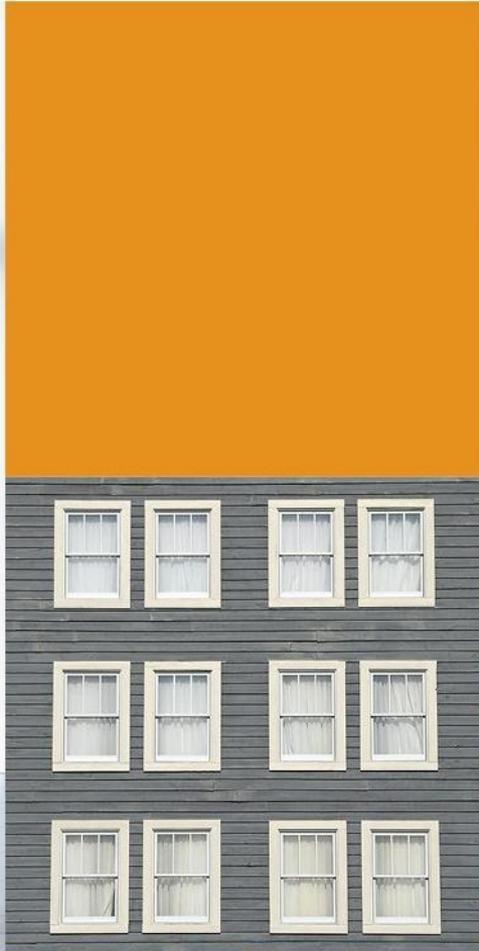
- Consolidated Login IDs
- Records Management
- System Appearance Changes & Notifications
- 1133 Changes
- Waiver Changes



Top Enhancements for Seller / Servicers



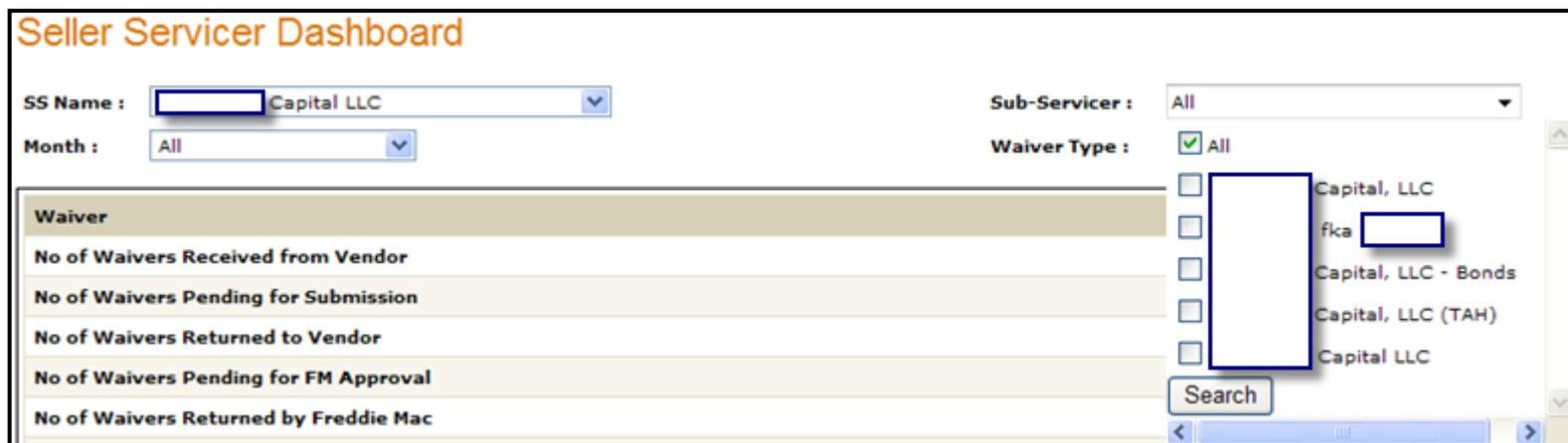
- Archive / Un-Archive submissions
- New Expiration Report
- Improved Sorting in Assignment Lists
- Dashboard queue names now appear in the Snapshot View
 - » Statuses will now clearly define where in the process the Waiver or 1133 is
- Pop-up notifications for Public Notes
- Added detail to Automated email notices
- Add attachments after FM approval
- Terrorism Section broken down into Property, GL and UL/EL
- Environmental Section added
- Deductible % and Deductible Minimum Value added to 1133
- Loan Level / Asset Level Editing
- Addition of 'TBD' to 1133-UW
- Waiver Approval logic built into 1133-Delivery Approvals
- Easily Identify Accepted 1133-Deliveries in ICT
- Bulk Waiver submissions for blanket policy requests
- Delete unnecessary Waivers
- Easier resubmission of prior Waiver sets tied to one loan
- Addition of 'Resolved' Status for Waivers
- Language Changes



Consolidated Login IDs

Consolidated Login IDs

- Some Seller / Servicers have Sub-Servicer arrangements
- We have modified the ICT so that Seller / Servicer Parent Entities can have:
 - » One login for all parent ID's and associated Sub-Servicer ID's
 - Sub-Servicers will have a separate login for this particular relationship



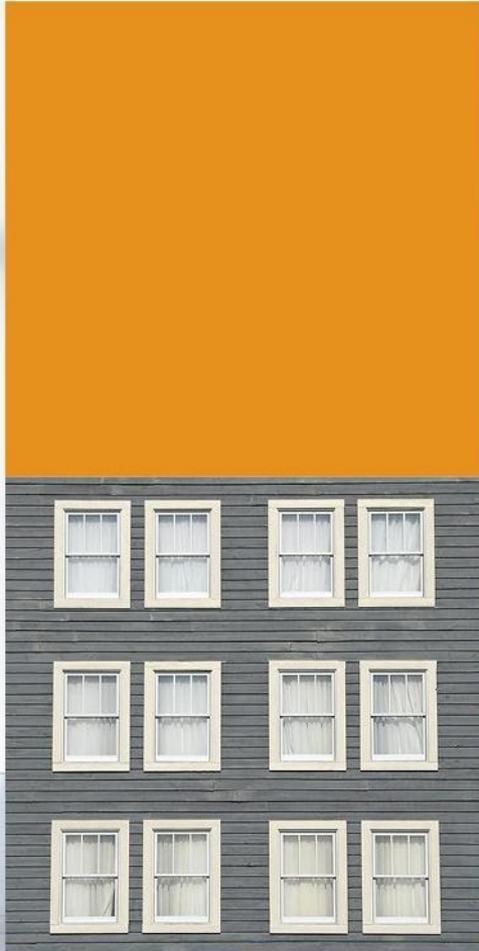
Seller Servicer Dashboard

SS Name :
Month :

Sub-Servicer :
Waiver Type : All

Waiver
No of Waivers Received from Vendor
No of Waivers Pending for Submission
No of Waivers Returned to Vendor
No of Waivers Pending for FM Approval
No of Waivers Returned by Freddie Mac

fka
 Capital, LLC - Bonds
 Capital, LLC (TAH)
 Capital LLC



Records Management

Records Management - Overview

- Archive / Un-Archive submissions
- Improved Sorting in Assignment Lists
- Dashboard queue name now on Snapshot view
- Expiration Report - NEW



Archive / Un-Archive Submissions



- For Seller / Servicers, final records can now be moved to an Archive queue
 - » The queues will be for Waivers, 1133-UW and 1133-Delivery

Waiver	Count
No of Waivers Received from Vendor	0
No of Waivers Pending for Submission	13
No of Waivers Returned to Vendor	1
No of Waivers Pending for FM Approval	43
No of Waivers Returned by Freddie Mac	2
No of Waivers Approved/Denied	137
No of Waivers Archived	7
1133 Underwriting	Count
No of 1133 Received from Vendor	1
No of 1133 Pending for Submission	7
No of 1133 Returned to Vendor	0
No of 1133 Submitted to Freddie Mac	21
No of 1133 Archived	2
1133 Delivery	Count
No of 1133 Received from Vendor	0
No of 1133 Pending for Submission	39
No of 1133 Returned to Vendor	0
No of 1133 Pending for FM Approval	69
No of 1133 Returned by Freddie Mac	6
No of 1133 Approved	115
No of 1133 Archived	3

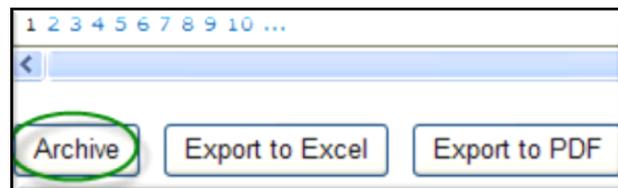
Archive / Un-Archive Submissions (Cont'd)

- Archive
 - » In the Assignment List, select the Checkbox next to the record you would like to Archive
 - » Then select the **'Archive'** button at the bottom of the screen

Assignment List

Waiver >> Approved/Denied FM Name

<input type="checkbox"/>	Waiver ID	FM Loan No	SS Loan No	Property ID	Property Name	Orig Loan Amount	Renewal Year	Waiver Type
<input checked="" type="checkbox"/>	161							



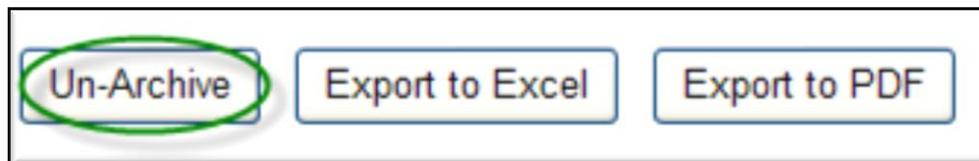
Archive / Un-Archive Submissions (Cont'd)

- Un-Archive
 - » To move the record back to its original queue, open the Archive queue
 - » Select the checkbox next to the record
 - » Select the **'Un-Archive'** button at the bottom of the screen

Assignment List

Waiver >> Archived

<input type="checkbox"/>	Waiver ID	FM Loan No	SS Loan No	Property ID	Property Name	Orig Loan Amount	Renewal Year	Waiver Type	Borrower Name	Seller Servicer Entity	Seller Servicer Individual	Freddie Mac
<input checked="" type="checkbox"/>	94											



Improved Sorting & Snapshot View



- Sorting in the Assignment List view will allow A-Z and Z-A for ALL fields by clicking on the field name

<input type="checkbox"/>	Waiver ID	FM Loan No	SS Loan No	Property ID	Property Name	Orig Loan Amount	Renewal Year	Waiver Type	Borrower Name	Seller Servicer Entity	Seller Servicer Individual	Freddie Mac	Date Submitted	Date Approved
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- The Snapshot view for all loans will now reflect the FM Loan Number as well as the current Waiver or 1133 queue the submission is located

Snapshot

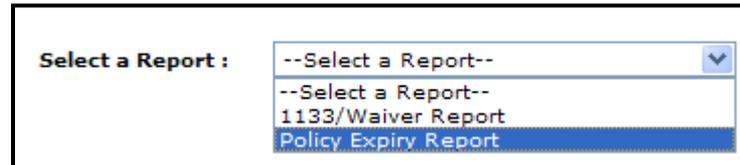
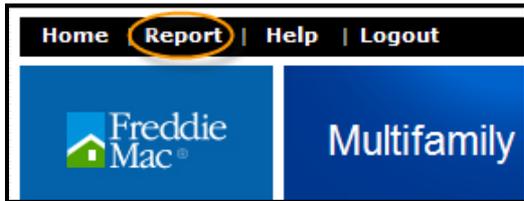
FM Loan Number :

Doc ID	Type	Period	Coverage	Term	Status	Queue Name
71	1133-Delivery	2012			Approved by FM	Approved
81	Renewal	2011	Wind	Deductible	Approved by FM	Archived
2051	Renewal	2013	Wind	Deductible	Pending FM Review	Pending for FM Approval

- The Expiration Report was created to assist in anticipating updates to insurance records for all loans, but specifically securitized loans
- Securitized deals require that loan files be complete, accurate, and up to date; including insurance information
- Updates to insurance information in ICT for securitized loans will now be required at renewal
 - » Update Summary
 - » Evidence of Insurance
- The Expiration Report will be most helpful if accurate data is initially entered into the 1133 and updated accordingly at renewal

Expiration Report (Cont'd)

- The Expiration Report is available by selecting 'Report' in the top toolbar and then selecting the 'Policy Expiry Report'



- » Select your Seller / Servicer entity in the SS Entity dropdown box and click 'View Report'



- This report will provide a list of all 1133s with expiration dates either 'Past Expiration' or approaching expiration within 90 days
 - » If the 1133 has different expiration dates, it will pull the soonest expiration date for the report along with a full list of all expiration dates for the 1133

Expiration Report (Cont'd)

- The report may be exported to Excel by changing the 'Select a Format' dropdown box to Excel and clicking Export



- Records will be grouped into the below four categories:

Policy Expiration Details		
FM Loan No	Soonest Expiry Date	Expiration Group
111222333	04/01/2011	Past Expiration
444555666	06/15/2013	0 - 30 Days
777888999	07/14/2013	31 - 60 Days
123456789	08/09/2013	61 - 90 Days

- You will be given expiration dates for required terms:

Property Damage	Business Income/Rental Value	Boiler and Machinery	Builders Risk	Localized Perils	Ordinance and Law	Sewer and Drain	Terrorism - Property	Wind	Flood	Earthquake
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General Liability	Umbrella /Excess Liability	Prof Liability (Seniors Only)	Vehicle Liability	Fidelity	Terrorism - General Liability	Terrorism - Umbrella/ Excess Liability	Environmental
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Expiration Report (Cont'd)

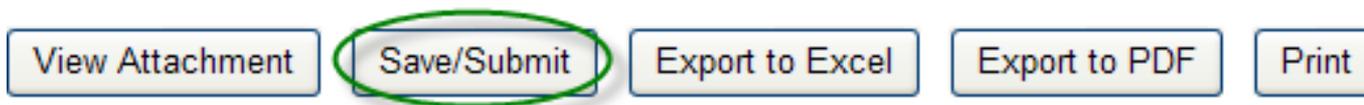
- For all records listed as **'Past Expiration'**
 - » Search for loan on the main Dashboard and select the loan on the Assignment List
 - » Select the checkbox next to the applicable property and click Update Summary
 - » Select 'Yes' for the required Guide Requirements associated with the property
 - All sections updated should have a brief comment explaining any changes to the insurance



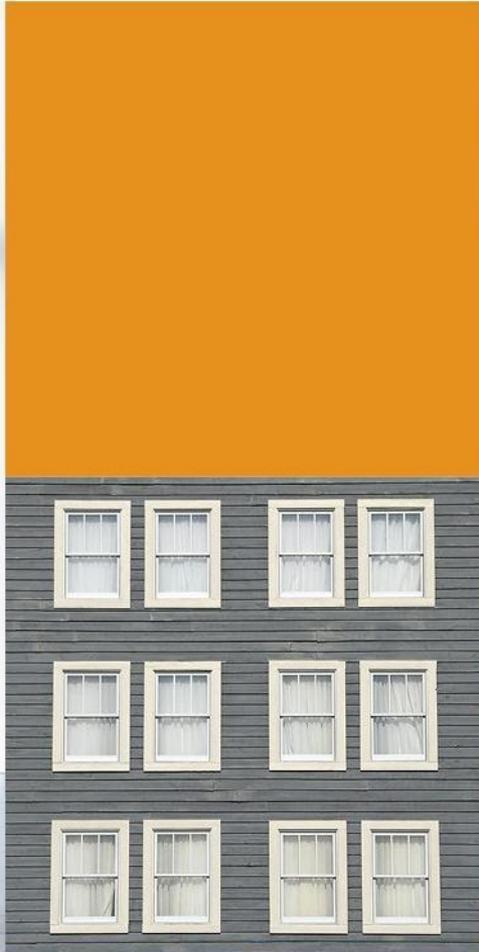
Guide Requirement	Required	Compliant/Waiver Needed *	Comments
 Property Damage	Yes <input type="button" value="v"/>		<input type="text"/>

Expiration Report (Cont'd)

- » Once all updates have been entered into ICT, click the Save/Submit button



- » Verify if any expired Waivers need to be re-submitted or amended per a prior 'Approval with Conditions' designation
- » Upload renewal documents (Acords, Binders, etc.) that verify coverage to Freddie Mac's DMS application under section:
 - **AM –INSURANCE – POST FUNDING**
 - **Insurance Acord Forms (Post Funding)**



System Appearance Changes & Notifications

System Appearance Changes & Notifications - Overview

- Authorized Signature level changed on submission certification
- 'GPR' is now identified in ICT as 'EGI'
- Submission 'Statuses' more clearly defined
- Pop-up Notifications for added Public Notes
- Elimination of back-button warning
- Added detail to automated email notifications



Language Changes

- Certification language has changed to no longer reflect 'Officer'

Certification

I certify that the information provided in this Form 1133 Certification accurately describes the insurance that (check one):

I further certify that I am authorized to sign this Certification on the Seller/Service's behalf.

- 'GPR' previously identified in the Asset Level / Loan Level data is corrected as 'EGI'

Property Name *	Property Address *	Prop. Id	Flood Zone *	Year Built *	# Bldgs *	# Stories *	RC *	EGI *	Property Zoning *	+/-
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Submission Statuses More Clearly Defined (Seller / Servicer role)



Queue	Document Status
Waiver	
No of Waivers Received from Vendor	Pending Submission to FM
No of Waivers Pending for Submission	Pending Submission to FM
No of Waivers Returned to Vendor	Returned to VE by SS - MIN
No of Waivers Pending for FM Approval	Pending FM Review or Pending FM (UW) Review
No of Waivers Returned by Freddie Mac	Returned to SS by FM - MIN
No of Waivers Approved/Denied	Approved by FM or Denied by FM or Resolved
1133 Underwriting	
No of 1133 Received from Vendor	Pending Submission to FM
No of 1133 Pending for Submission	Pending Submission to FM
No of 1133 Returned to Vendor	Returned to VE by SS
No of 1133 Submitted to Freddie Mac	Pending FM Review or Reviewed by FM
1133 Delivery	
No of 1133 Received from Vendor	Pending Submission to FM
No of 1133 Pending for Submission	Pending Submission to FM
No of 1133 Returned to Vendor	Returned to VE by SS
No of 1133 Pending for FM Approval	Pending FM Review
No of 1133 Returned by Freddie Mac	Returned to SS by FM
No of 1133 Approved	Approved by FM

Submission Statuses More Clearly Defined (Vendor role)



Queue	Document Status
Waiver	
No of Waivers Pending for Submission	Pending Submission to SS
No of Waivers Submitted to Seller Servicer	Pending Submission to FM
No of Waivers Returned by Seller Servicer	Returned to VE by SS - MIN
No of Waivers Submitted to Freddie Mac	Pending FM Review or Approved by FM or Denied by FM
1133 Underwriting	
No of 1133 Pending for Submission	Pending Submission to SS
No of 1133 Submitted to Seller Servicer	Pending Submission to FM
No of 1133 Returned by Seller Servicer	Returned to VE by SS
No of 1133 Submitted to Freddie Mac	Pending FM Review or Reviewed by FM
1133 Delivery	
No of 1133 Pending for Submission	Pending Submission to SS
No of 1133 Submitted to Seller Servicer	Pending Submission to FM
No of 1133 Returned by Seller Servicer	Returned to VE by SS
No of 1133 Submitted to Freddie Mac	Pending FM Review or Approved by FM or Denied by FM

Pop-up Notifications for Public Notes

- Users will be notified whenever a NEW public notes message has been added to a loan assigned to the given Seller / Servicer Entity

- » A flag will be displayed at the loan level on the Assignment List views



1980	<input type="text"/>		<input type="text"/>	1
1978	<input type="text"/>	New Public Notes Added		

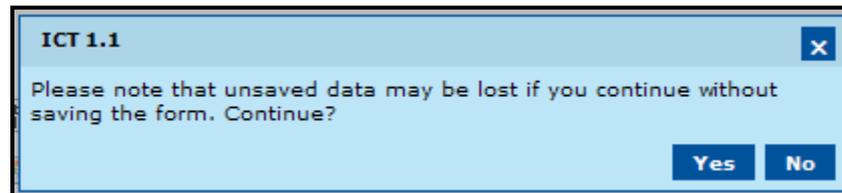
- » A banner will be displayed at the submission level at the top right corner of the Asset Level / Loan Level view

NEW PUBLIC NOTES ADDED

- » Once the public note is viewed by an individual, the flag will disappear
 - The flag will remain for others until viewed on their ID

System Warnings & Emails

- The back button warning received in ICT has been changed so that it shows only when data has been altered by the user and has not yet been saved



- Automated emails will now include Property Name(s), and the Seller / Servicer Individual and Entity Name

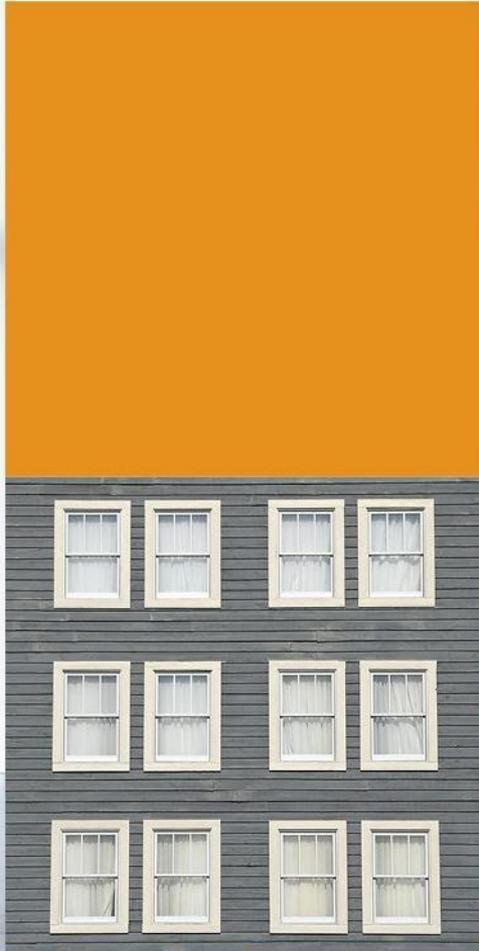


Waiver Review Notification for FM Loan Number 5678
Techhelp.freddie.mac to:

Waiver Review Notification

Waiver has been reviewed for the following loan. Please login to [Multifamily Insurance Compliance Tool](#) to view the status.

FM Loan No	SS Loan No	Property Name	SS Individual	SS Entity Name	Waiver Type	Insurance Type	Insurance Terms	Date Reviewed
5678		5678 Apartments	NH	Commercial Mortgage LLC	New Origination Waiver	Property	Property Damage - Cause of Loss Form	06/17/2013



1133 Changes

1133 Process Overview

- The 1133 is the primary source of documentation of insurance compliance at loan origination
- Seller/Servicer represents insurance compliance and submits 1133 to FM
- FM Underwriter and Seller/Servicer Underwriter/Closing representative are responsible for review and processing 1133
- Seller/Servicer uploads final 1133 Delivery to DMS no later than Final Delivery

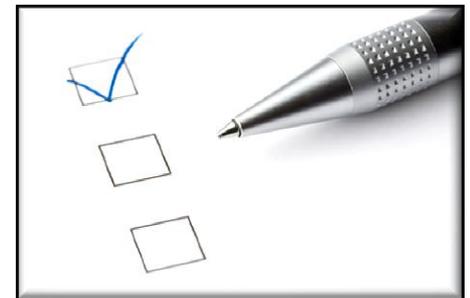
1133 Process Overview (Cont'd)

- The **1133 Underwriting** record:
 - » Should be submitted with UW Full Package
 - » Designed to be a working record of insurance compliance during underwriting
 - » Is fully editable by Seller/Serviceicers while in “Underwriting” status
 - » Review only mode for FM, except for Public Notes
 - » Must include record of any waivers requested/approved

- The **1133 Delivery** record:
 - » Submitted by SS once all insurance issues are final
 - » FM Underwriting reviews, accepts, and submits back to the Seller/Serviceicer
 - » **LOCKED** as a final record once accepted by FM UW

1133 Changes - Overview

- 'TBD' Value added to FM UW name (1133-UW only)
- Loan Level / Asset Level Editing
- Asset Level fields now mandatory for 1133-Delivery Records
- Deductible Percentage and Minimum Value fields added
- Terrorism coverage broken out into 3 sections
 - » Property, GL and EL/UL
- Environmental Coverage section added
- Attachments before and after submissions
- Waiver Approval logic built into 1133-Delivery approvals
- Easier identification of Acceptance (Approval) for 1133-Deliveries



'TBD' Value for 1133-Underwriting submissions



- To allow an 1133-UW record to be created sooner in the system, the Seller / Servicer will now be able to indicate the FM UW Name as '**TBD**', opposed to having to assign an actual Underwriter to the 1133
 - » Note that selecting '**TBD**' will not trigger an automated email notice to the FM Underwriting team
 - » Selecting '**TBD**' as a FM UW Name when submitting an 1133-Delivery for approval will not be allowed by ICT

Loan Level / Asset Level Data

1133 Type : *	Underwriting	Freddie Mac Loan No : *	111116666	Auto Fill	FM Underwriter : *	TBD
SS Loan No :	111116666	Deal Name :	DMK			TBD
Est. Funding Date : *	05/20/2013	Current Balance :	\$7,878			Freddie FM
Borrower Name : *	DeepakMohankumar					FreddieUW FM
Related Loans/Other Debt :		Total: All Annual Ins. Premiums : *	\$1,000,000,000.00			\$8,000,000

Loan Level / Asset Level field changes

- Seller / Servicers will be able to edit the Loan Level / Asset Level data for an 1133-Delivery document after submission and before final action made by Freddie Mac
 - » Located in the **No of 1133 Pending for FM Approval** queue

Loan Level / Asset Level Data

1133 Type : * Delivery

SS Loan No : 22226662

Est. Funding Date : * 05/23/2013

Borrower Name : * BeenaJayaraj

Related Loans/Other Debt : 11111111

Total: All Annual Ins. Premiums : * \$1,000,000,000,000.0

Status : Active

Freddie Mac Loan No : 222266662

Deal Name : BeenaJayaraj Deals

Current Balance : \$3,000,000

FM Underwriter : * TBD

Orig. Loan Amount : \$5,000,000

Property Name *	Property Address *	Prop. Id	Flood Zone *	Year Built *	Bldgs # *	# Stories *	RC *	EGI *	Property Zoning *	+/-
BJJ	Address BJJ, BJJ, BJJ, SC, 12222 - 1111	3	A1-3	1970	1	12	\$1,000	\$5,544	Conforming	+

Note: If layered policy, enter primary carrier name and rating in designated fields for each requirement. Attachment must also be uploaded with other layered carriers, their ratings, and % of coverage for each layer. Attachment must also include policy information and coverage type.

- Asset Level fields will be mandatory (notated by ‘*’) for 1133-Delivery submissions. They will not be mandatory for 1133-UW

Deductible Percentage & Minimum Value Added



- To improve reporting deductibles that are expressed as a percentage, **Deductible Percentage** has been added
 - » Either Deductible Amt or Deductible % needs to be entered when the Required dropdown is indicated as 'Yes' for a Guide Requirement
- Minimum Value (Deductible Min) has also been added as an *optional* field to report when the policy carries a minimum deductible

Either Deductible Amt or Deductible % fields must be populated:	
Deductible Amt	<input type="text"/>
Deductible %	<input type="text"/>
Deductible Min	<input type="text"/>

Terrorism Section Break Down

- The original Terrorism Guide Requirement section has been broken down into:

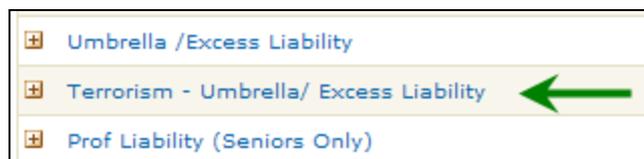
- » Terrorism – Property



- » Terrorism – General Liability



- » Terrorism - Umbrella / Excess Liability



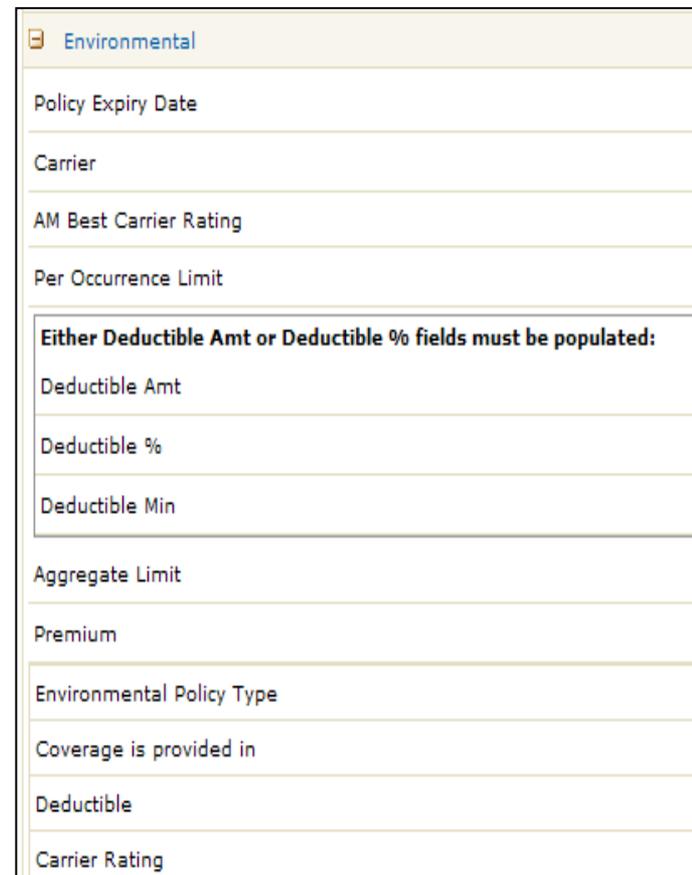
Included in Property Policy
Policy Expiry Date
Carrier
AM Best Carrier Rating
Per Occurrence Limit
Either Deductible Amt or Deductible % fields must be populated:
Deductible Amt
Deductible %
Deductible Min
Aggregate Limit
Premium
Replacement Cost/Limit
Deductible
Carrier Rating
Coverage is provided in

Environmental Coverage Section Added

- A new coverage section has been added to the 1133 form to document Environmental coverage if required



Prof Liability (Seniors Only)
Environmental
Vehicle Liability



Environmental

Policy Expiry Date

Carrier

AM Best Carrier Rating

Per Occurrence Limit

Either Deductible Amt or Deductible % fields must be populated:

Deductible Amt

Deductible %

Deductible Min

Aggregate Limit

Premium

Environmental Policy Type

Coverage is provided in

Deductible

Carrier Rating

Attachments Before, During and After

- Uploading attachments to 1133s will now be available before submission, during the 1133-Underwriting review process and after final processing
 - » Navigate to the loan's Asset Level / Loan Level screen
 - » Click 'Summary'
 - » Click 'Upload Attachment'



Linking 1133-Delivery and Waiver Approvals

- New Origination waivers will now be linked to 1133 records
- Freddie Mac will not be able to process an 1133-Delivery until all outstanding Waivers attached to the record in ICT have been identified as one of the following:
 - » Approved
 - » Approved with Conditions
 - » Resolved
- The addition of this checks and balances approach will assist all parties going forward to ensure all approvals have been properly documented for the loan



Identifying Accepted 1133-Delivery Records

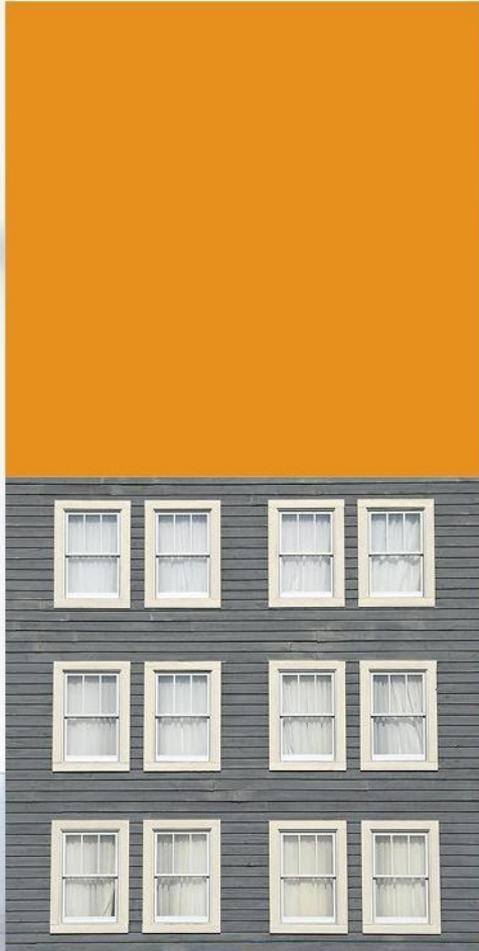


- 1133-Delivery records that have been processed will be easily identified at the top of the Asset Level / Loan Level screen for each loan by this banner:

ACCEPTED BY FREDDIE MAC

- » When uploaded into DMS, this will clearly identify that the 1133 record has been fully processed and accepted by Freddie Mac (and not preliminary 1133-UW information)

Loan Level / Asset Level Data		LOAN DATA AS OF 6/21/2013 IS SHOWN	ACCEPTED BY FREDDIE MAC		
1133 Type : *	<input type="text" value="Delivery"/>	Freddie Mac Loan No : *	<input type="text" value="444555666"/>	FM Underwriter : *	<input type="text" value="Marc W DeBord"/>
SS Loan No :	<input type="text"/>	Deal Name :	<input type="text" value="Dandridge Tower"/>	Orig. Loan Amount : *	<input type="text" value="7100000.00"/>
Est. Funding Date : *	<input type="text" value="06/30/2013"/>	Current Balance :	<input type="text" value="7045000.00"/>		
Borrower Name : *	<input type="text" value="Dandridge II LP"/>				
Related Loans/Other Debt :	<input type="text"/>	Total: All Annual Ins. Premiums : *	<input type="text" value="45000.00"/>		



Waiver Changes

- New Origination Waivers review process:
 - » Submitted by SS
 - » Reviewed by Insurance Team (if necessary) – recommend to UW
 - » Reviewed by UW – final credit decision
 - » Decision submitted back to SS
 - » UW documents waivers in UW Brief
 - » Waiver is also documented in 1133

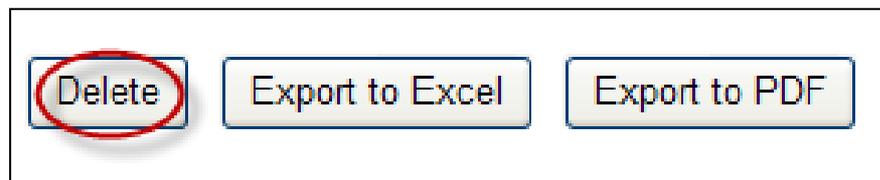
Waiver Changes - Overview

- Submission of bulk waiver request for multiple loans
- Waiver deletion for requests created in error or no longer needed
- Addition of 'Resolved' Status
- Change in process for resubmission of Waivers with "More Info Needed"
 - » FM Response will now be visible to Vendors when returned and retained in the record when submitted back to the Seller / Servicer and Freddie Mac
- Resubmission of previous waiver sets



Delete Waivers That Are No Longer Needed

- You will now be able to delete a waiver request if:
 - » You have created a Waiver request in error and do not want to keep it in the system
 - » You have created a Waiver for a Dead Deal or the Waiver is no longer applicable
- Deleting a Waiver will not be allowed if:
 - » The waiver is a Re-submission
 - » The waiver has been returned to the Vendor
 - » Freddie Mac has already acted upon the Waiver



Addition of 'Resolved' Status

- Waivers submitted that are no longer out of compliance may be labeled by Freddie Mac as **'Resolved – No Waiver Required'**
 - » The Seller / Servicer will need to update the 1133-Delivery to 'Compliant' for these waivers so that it can be approved by Freddie Mac

Insurance Waiver Request

Submitted by (Name) : Seller SS Submission Date : 05/20/2013

Policy Effective Year : * 2012 Waiver Type : New Origination Waiver

Insurance Type *	PAW/New	Insurance Term *	Policy Exp Date	Premium	Waiver Status	+/-
 Liability	NEW	GL - Terrorism - Deductible	05/20/2015		Resolved - No Waiver required	

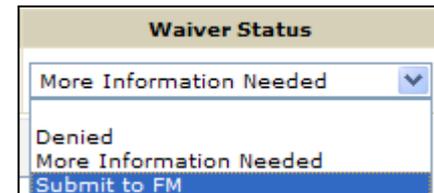
Seller Servicer Analysis *

'More Information Needed' Process Change

- If a Waiver request began with a Vendor, the Seller / Servicer has the option to:

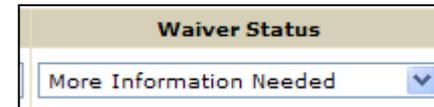
- » Edit comments and submit to Freddie Mac by

- Changing the status to 'Submit to FM'
- Selecting the 'Submit' button



- » Return to the Vendor by

- Keeping the 'More Information Needed' status
- Selecting the 'Submit' button



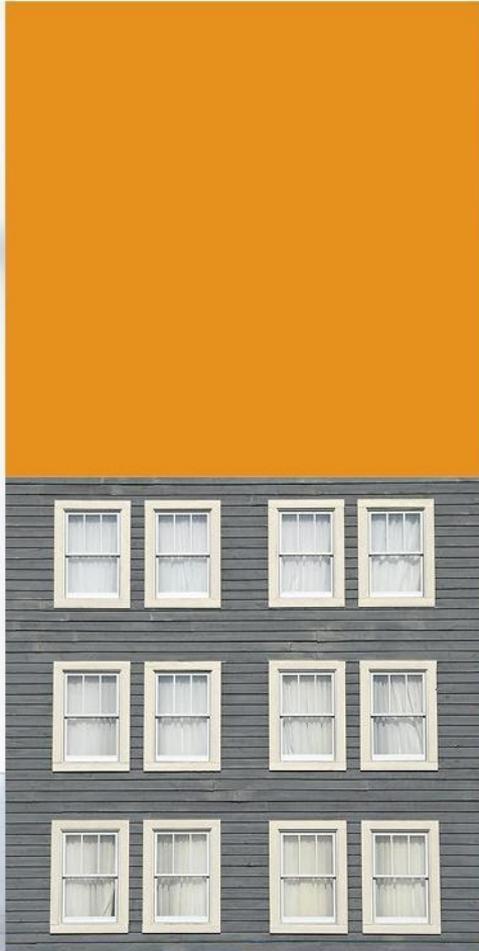
- The Vendor can resubmit a returned waiver request to the Seller / Servicer by editing the data and clicking the 'Submit' button



Resubmission of Previous Waiver Sets

- If a group of Waivers was previously submitted for a loan (or multiple loans) and at least one of the Waivers was previously approved, you will be able to resubmit the entire set of Waivers previously approved
 - » In ICT 1.0, if one of the waivers in the group was Denied, you were not able to resubmit any from the set and had to manually create a new request





Support

- There is a comprehensive ICT User's Guide linked to the "Help" tab in the top header menu



- Refer to the ICT User's Guide for "how to" steps for all ICT functions

- Contact the Accenture ICT Tech Help Team @
 - » 1133-TechHelp.freddiemac@cmservicing.com
 - » Or call 1-877-936-8283 *EXT 33427*
 - Requesting initial access or access removal
 - Trouble logging in or password reset needed
 - Technical Support:
 - Submissions do not appear in correct queue
 - Error messages
 - Data correction requests
 - File attachment issues

- For business related questions about general insurance issues or ICT submittals, email the Freddie Mac MF Insurance Compliance Team @
 - » MF_INSURANCECOMPLIANCE@freddiemac.com

- FM Insurance Requirements documented in the FM Guide can be found on ALLREGS
 - FM Multifamily > Multifamily SS Guide > Chapter 31: Insurance Requirements

