



## Relief Refinance Mortgages – Same Servicer

### An expanded LTV/TLTV/HTLTV refinance solution for your customers on the mortgages you service

The Freddie Mac Relief Refinance Mortgage<sup>SM</sup> – Same Servicer helps borrowers who are making timely mortgage payments but have been unable to refinance due to declining property values. A portion of this offering, mortgages with LTV ratios greater than 80 percent, represents our business implementation of the Home Affordable Refinance program (HARP).

In addition to simplified appraisal and borrower eligibility requirements, HARP mortgages have additional flexibilities, including no maximum LTV/TLTV/HTLTV ratios for fixed rate mortgages, relief from certain representation and warranties, and acceptable borrower solicitation practices. With these additional opportunities you can assist even more of your borrowers to refinance into mortgages that better position them for long-term homeownership success.

#### > Borrower Profile

- Experienced declining property values or could benefit from refinancing into mortgages with terms that better position the borrower for long-term homeownership.
- Have no more than one 30-day delinquency within the previous 12 months on the mortgage being refinanced provided there are no delinquencies within the previous six months.
- Can provide a verifiable source of income for at least one borrower.

#### > Key Features

- The mortgage being refinanced must be serviced by the Seller, or an affiliate of the Seller. The new mortgage must be originated by the Seller or an affiliate of the Seller.
- No maximum LTV ratio requirement for fixed-rate mortgages. ARMs have a maximum LTV ratio of 105 percent.
- No maximum TLTV/HTLTV ratio requirement.
- Simplified borrower eligibility requirements
- Use of Home Value Explorer<sup>®</sup> to determine property value for certain mortgages.
- Allows omission of a borrower for any reason, subject to conditions.

#### For loans with LTV ratios greater than 80 percent

- Relief from standard mortgage insurance requirements.
- Relief from certain Seller representation and warranties on the mortgage being refinanced.
- Borrower solicitation permitted.

**MORTGAGE BEING REFINANCED ELIGIBILITY REQUIREMENTS**

<p><b>General Eligibility Requirements</b></p>	<ul style="list-style-type: none"> <li>• Detailed requirements for Relief Refinance Mortgages – Same Servicer can be found in the following Guide Chapters: <ul style="list-style-type: none"> <li>○ A24 - <i>Relief Refinance Mortgages – Same Servicer with LTV Ratios Greater than 80%</i></li> <li>○ C24 – <i>Relief Refinance Mortgages – Same Servicer with LTV Ratios Less than or Equal to 80%</i></li> </ul> </li> <li>• The mortgage being refinanced must: <ul style="list-style-type: none"> <li>○ Be a first-lien, conventional mortgage currently owned or securitized by Freddie Mac.</li> <li>○ Have a Freddie Mac settlement date on or before May 31, 2009.</li> <li>○ Be serviced by the Seller or an affiliate of the Seller.</li> </ul> </li> <li>• The originator of the new refinance mortgage must have the mortgage file for the mortgage being refinanced and must deliver the 9-digit Freddie Mac loan number for the mortgage being refinanced.</li> <li>• Mortgages being refinanced that have mortgage insurance, recourse, indemnification or other negotiated credit enhancement are eligible for refinancing as a Relief Refinance Mortgage – Same Servicer. Refer to Guide Section A24.3 (k) or C24.3 (k) for additional requirements for refinancing mortgages that have recourse or indemnification.</li> </ul>
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<p><b>Mortgage Payment History</b></p>	<ul style="list-style-type: none"> <li>• No delinquency in the most recent six months</li> <li>• No more than one 30-day delinquency in the past 12 months.</li> </ul>
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<p><b>Representation and Warranties on the Mortgage Being Refinanced</b></p>	<p><b>For mortgages with LTV ratios greater than 80 percent</b></p> <ul style="list-style-type: none"> <li>• The Seller is not required to represent and warrant that the mortgage being refinanced met the eligibility requirements in its purchase documents related to : <ul style="list-style-type: none"> <li>○ Borrower creditworthiness (credit reputation and capacity) and any other underwriting requirements</li> <li>○ The value, condition, and marketability of the mortgaged premises.</li> <li>○ See Guide Section A24.3 (a) for representations and warranties requirements related to fraud</li> </ul> </li> <li>• The Seller is required to represent and warrant that the mortgage being refinanced met all other Freddie Mac eligibility requirements in its purchase documents, including, but not limited to, requirements related to anti-predatory lending and project eligibility for mortgages secured by condominium units, or if permitted by the Seller’s purchase documents, Cooperative Share Mortgages.</li> </ul> <p><b>For mortgages with LTV ratios less than or equal to 80 percent</b></p> <ul style="list-style-type: none"> <li>• Seller must represent and warrant that the mortgage being refinanced met all the Freddie Mac eligibility requirements in its purchase documents including, but not limited to, credit, underwriting, collateral and appraisal requirements.</li> </ul>
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**RELIEF REFINANCE MORTGAGE – SAME SERVICER ELIGIBILITY REQUIREMENTS**

<p><b>Borrower Benefit</b></p>	<p>The Relief Refinance Mortgage must result in at least <b>one</b> of the following:</p> <ul style="list-style-type: none"> <li>• Reduction in the interest rate of the first-lien mortgage.</li> <li>• Replacement of an ARM, Initial Interest<sup>®</sup> Mortgage (or any mortgage with an interest-only period), or a balloon/reset mortgage with a fixed-rate, fully amortizing mortgage.</li> <li>• Reduction in the amortization term of the first-lien mortgage.</li> <li>• Reduction in the monthly principal and interest (P&amp;I) payment of the first-lien mortgage.</li> </ul>
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<p><b>Eligible Mortgage Products</b></p>	<p>The Relief Refinance Mortgages – Same Servicer must be:</p> <ul style="list-style-type: none"> <li>• Originated by the Seller or an affiliate of the Seller.</li> <li>• Conventional 15-, 20- or 30-year fixed-rate, fully amortizing mortgages.</li> <li>• Conventional nonconvertible 5/1, 7/1 or 10/1 fully amortizing adjustable-rate mortgages (ARMs)</li> <li>• The Relief Refinance Mortgage – Same Servicer may be a super conforming mortgage.</li> <li>• If the mortgage being refinanced is a fixed-rate mortgage, the new Relief Refinance Mortgage – Same Servicer may not be an ARM.</li> </ul>
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<p><b>Eligible Property Types</b></p>	<p><b>For mortgages with LTV ratios greater than 80 percent</b></p> <ul style="list-style-type: none"> <li>• 1- to 4-unit primary residences</li> <li>• Second homes</li> <li>• 1- to 4-unit investment properties</li> <li>• The mortgage being refinanced and the Relief Refinance Mortgage do not have to represent the same occupancy</li> </ul> <p><b>For mortgages with LTV ratios less than or equal to 80 percent</b></p> <ul style="list-style-type: none"> <li>• 1- to 4-unit primary residence</li> <li>• Second homes, provided the mortgage being refinanced was underwritten and sold to Freddie Mac as a second home mortgage</li> <li>• 1- to 4-unit investment property, provided the mortgage being refinanced was underwritten and sold to Freddie Mac as an investment property mortgage.</li> <li>• Second home mortgages and 1- to 4-unit investment property mortgages that are now owner-occupied primary residences are eligible for sale as a primary residence if the borrower(s) obligated on the note is now an owner-occupant.</li> </ul>
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<b>Refinance Proceeds</b>	<ul style="list-style-type: none"> <li>Depending on the LTV ratio of the Relief Refinance Mortgage – Same Servicer, the refinance proceeds must be used only to: <table border="1" data-bbox="378 153 1498 457"> <thead> <tr> <th data-bbox="378 153 800 180">Use of Proceeds</th> <th data-bbox="800 153 1149 180">&gt;80 percent LTV</th> <th data-bbox="1149 153 1498 180">≤80 percent LTV</th> </tr> </thead> <tbody> <tr> <td data-bbox="378 180 800 279">Pay off the first mortgage (amount includes the UPB and accrued interest through the payoff date).</td> <td data-bbox="800 180 1149 279">Yes</td> <td data-bbox="1149 180 1498 279">Yes</td> </tr> <tr> <td data-bbox="378 279 800 378">Pay related closing costs, financing costs and prepaids/escrows.</td> <td data-bbox="800 279 1149 378">Not to exceed the lesser of 4% of the current UPB of the mortgage being refinanced or \$5,000</td> <td data-bbox="1149 279 1498 378">Yes, includes all closing and financing cost and prepaids/escrows to the Relief Refinance Mortgage</td> </tr> <tr> <td data-bbox="378 378 800 457">Disburse as cash to the borrower</td> <td data-bbox="800 378 1149 457">Not to exceed \$250</td> <td data-bbox="1149 378 1498 457">Not to exceed the lesser of 2 % of the Relief Refinance Mortgage or \$2,000, whichever is less</td> </tr> </tbody> </table> </li> <li>In the event that there are remaining proceeds from the Relief Refinance Mortgage – Same Servicer after the proceeds are applied as described above: <ul style="list-style-type: none"> <li>The mortgage amount may be reduced, or</li> <li>The excess amount must be applied as a principal curtailment to the new refinance mortgage at closing and must be clearly reflected on the HUD-1 form or other equivalent closing statement.</li> <li>Under no circumstances may cash disbursed to the borrower (or any other payee) exceed the maximum permitted above.</li> </ul> </li> </ul>	Use of Proceeds	>80 percent LTV	≤80 percent LTV	Pay off the first mortgage (amount includes the UPB and accrued interest through the payoff date).	Yes	Yes	Pay related closing costs, financing costs and prepaids/escrows.	Not to exceed the lesser of 4% of the current UPB of the mortgage being refinanced or \$5,000	Yes, includes all closing and financing cost and prepaids/escrows to the Relief Refinance Mortgage	Disburse as cash to the borrower	Not to exceed \$250	Not to exceed the lesser of 2 % of the Relief Refinance Mortgage or \$2,000, whichever is less
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<b>Maximum LTV/TLTV/HTLTV</b>	<p>The LTV ratio for all Relief Refinance Mortgages – Same Servicer delivered in accordance with Guide Chapter A24 must be greater than 80 percent, and:</p> <ul style="list-style-type: none"> <li>For adjustable-rate mortgages, the maximum LTV ratio is 105 percent.</li> <li>For fixed-rate mortgages, there is no maximum LTV ratio.</li> <li>There are no maximum TLTV and HTLTV ratios.</li> </ul> <p>See “Eligible Executions” below for Cash and Guarantor executions and the effective dates.</p> <p>The LTV ratio for all Relief Refinance Mortgages – Same Servicer delivered in accordance with Guide Chapter C24 must be less than or equal to 80 percent. There are no maximum TLTV and HTLTV ratios.</p>												
<b>Mortgage Insurance</b>	<p><b>For an LTV ratio greater than 80 percent</b></p> <ul style="list-style-type: none"> <li>If the mortgage being refinanced has mortgage insurance coverage, then the same mortgage insurance coverage percentage must be maintained for the Relief Refinance Mortgage – Same Servicer on the entire unpaid principal balance.</li> <li>If the mortgage being refinanced does not have mortgage insurance, then no mortgage insurance coverage is required for the Relief Refinance Mortgage – Same Servicer.</li> </ul>												
<b>Underwriting Requirements</b>	<ul style="list-style-type: none"> <li>The Relief Refinance Mortgage – Same Servicer must not be submitted through Loan Prospector® or any other AUS.</li> <li>Requalifying the borrower is not required unless the borrower’s P&amp;I payment on the refinance mortgage increases by more than 20 percent. See Chapters A24.3 (h) or C24.3 (i) for underwriting requirements when the P&amp;I payment increases by more than 20 percent of the current contractually obligated payment under the note.</li> <li>At least one borrower must have a verifiable source of income.</li> <li>A borrower on the mortgage being refinanced may be omitted from the Relief Refinance Mortgage for any reason, provided that the omitted borrower is removed from the deed and does not retain any ownership interest in the mortgaged premises. Except in the case of death, the mortgage file must contain evidence that the remaining borrower has been making the mortgage payments, including payments for any secondary financing, for the most recent 12-month period.</li> </ul>												
<b>Collateral Assessment</b>	<ul style="list-style-type: none"> <li>The Seller may use HVE or a new appraisal to determine property value. Refer to Guide Chapters A24.3 (d) or C24.3 (d) for complete requirements, as applicable based on the LTV ratio of the Relief Refinance Mortgage.</li> <li>The Seller may use an HVE point value estimate for certain 1-unit properties with a Forecast Standard Deviation no greater than 0.20 (corresponding to a medium or high Confidence Score) and which meets the requirements in Guide Chapter A24.</li> <li>HVE point value estimates may be used for certain 2-unit properties effective for mortgages with application dates on or after December 1, 2011, and Freddie Mac settlement dates on or after March 15, 2012.</li> <li>If the requirements of Guide Chapters A24.3 (d) or C24.3 (d), as applicable, are met, and the Seller uses HVE to determine value, the Seller is relieved of representations and warranties for the value, condition and marketability of the mortgaged premises provided that, as of the settlement date, the Seller is not aware of any circumstances or conditions that would adversely affect the value, condition or marketability of the mortgaged premises.</li> <li>The date of the HVE estimate (HVE Value Date) must be no more than 120 days as of the note date.</li> </ul>												
<b>Secondary Financing</b>	<ul style="list-style-type: none"> <li>Existing junior liens may be refinanced simultaneously with the first mortgage provided the junior lien is being refinanced for one of the following purposes: <ul style="list-style-type: none"> <li>A reduction in the interest rate of the junior lien.</li> <li>To replace an ARM, an interest-only junior lien, or a junior lien with a balloon or call option with a fixed-rate, fully amortizing junior lien.</li> <li>A reduction in the amortization term of the junior lien.</li> <li>A reduction in the monthly payment of the junior lien.</li> </ul> </li> <li>The unpaid principal balance of the new junior lien cannot be more than the unpaid principal balance, at the time of payoff, of the junior lien being refinanced.</li> </ul>												

	<ul style="list-style-type: none"> <li>• If the junior lien being refinanced is a fixed-rate junior lien, the new junior lien cannot be an ARM.</li> <li>• An existing junior lien must be subordinate to the Relief Refinance Mortgage – Same Servicer, regardless of whether it is refinanced simultaneously with the first-lien mortgage. <ul style="list-style-type: none"> <li>○ An increase in the current unpaid principal amount of any existing junior lien is permitted for reasons not related to the Relief Refinance Mortgage transaction.</li> <li>○ No new secondary financing is permitted.</li> </ul> </li> </ul>
<b>BORROWER SOLICITATION</b>	
	<p><b>For Relief Refinance Mortgages – Same Servicer with LTV ratios greater than 80 percent</b></p> <ul style="list-style-type: none"> <li>• Sellers may contact eligible borrowers with mortgages owned or securitized by Freddie Mac to inform them of the enhancements to HARP.</li> <li>• Solicitations must be applied equally across the servicing portfolios of Freddie Mac and Fannie Mae.</li> <li>• Detailed borrower solicitation rules are outlined in Guide Sections 8.10 and A24.1 (b).</li> </ul> <p><b>For all other Relief Refinance Mortgages</b></p> <ul style="list-style-type: none"> <li>• Sellers must comply with the broad-based refinance practices described in Guide Section 8.10 and may not intentionally target Freddie Mac-owned mortgages in advertising or implementing refinance terms.</li> </ul>
<b>DELIVERY REQUIREMENTS</b>	
<b>Delivery Requirements</b>	<ul style="list-style-type: none"> <li>• Eligible for sale only through the selling system under the flow sales path.</li> <li>• Must be delivered to Freddie Mac no more than 120 days after the note date, and if applicable, the HVE point value estimate may not be more than 120 days old as of the note date.</li> <li>• The Seller must deliver: <ul style="list-style-type: none"> <li>○ SCC H06 - Relief Refinance Mortgages – Same Servicer.</li> <li>○ SCC H03 - if an HVE point value estimate is used.</li> <li>○ SCC 007 - "no cash-out" refinance mortgage.</li> </ul> </li> <li>• Mortgage Insurance: <ul style="list-style-type: none"> <li>○ Sellers must complete the MI Code field only for Relief Refinance Mortgages – Same Servicer requiring mortgage insurance. The Seller must deliver the MI Code that identifies the Freddie Mac-approved insurer that is insuring the mortgage in the MI Code field and complete other mortgage insurance related fields. Sellers must enter the certificate number of the existing mortgage insurance policy transferred to the Relief Refinance Mortgage—Same Servicer, or must enter a replacement mortgage insurance certificate number, as provided by the mortgage insurer, in the MI Certificate field on Form 11 or Form 13SF. If no mortgage insurance is required as permitted by Guide Chapter A24, then leave the mortgage insurance information blank.</li> </ul> </li> <li>• Seller must deliver an updated Indicator Score, if available, and property value that meets the requirements of Guide Chapter A24 or C24, as applicable.</li> <li>• Seller must deliver the Freddie Mac loan number of the existing mortgage with the new refinance mortgage.</li> </ul>
<b>Delivery Fees</b>	<ul style="list-style-type: none"> <li>• Postsettlement delivery fees from Guide Exhibit 19 apply.</li> <li>• For mortgages with LTV ratios less than or equal to 80 percent, the total of all delivery fees is capped at 200 basis points.</li> <li>• For mortgages with LTV ratios greater than 80 percent, the following delivery caps will be applied: <ul style="list-style-type: none"> <li>○ Zero basis points for non-investment property fixed-rate mortgages with amortization terms of less than or equal to 20 years.</li> <li>○ 75 basis points for non-investment property fixed-rate mortgages with amortization terms of greater than 20 years.</li> <li>○ 75 basis points for non-investment property mortgages that are adjustable-rate mortgages (ARMs)</li> <li>○ 200 basis points for investment properties.</li> </ul> </li> </ul>
<b>Eligible Executions</b>	<ul style="list-style-type: none"> <li>• All Relief Refinance Mortgages – Same Servicer may be sold to Freddie Mac through the following executions: <ul style="list-style-type: none"> <li>○ Fixed-rate Cash</li> <li>○ Fixed-rate Guarantor</li> </ul> <p><b>NOTE:</b> Fixed-rate mortgages with LTV ratios greater than 125 percent will be eligible for sale on or after the following dates:</p> <ul style="list-style-type: none"> <li>○ February 1, 2012 for fixed-rate Cash</li> <li>○ June 1, 2012 for fixed-rate guarantor</li> </ul> </li> <li>• Relief Refinance Mortgages – Same Servicer with LTV ratios less than or equal to 105 percent may also be sold to Freddie Mac through the following executions: <ul style="list-style-type: none"> <li>○ WAC ARM Cash</li> <li>○ WAC ARM Guarantor</li> <li>○ MultiLender Swap</li> </ul> </li> <li>• Relief Refinance Mortgages – Same Servicer with LTV ratios less than or equal to 105 percent may be sold to Freddie Mac through the selling system servicing-released sales process.</li> <li>• Fixed-rate cash contracts for Relief Refinance Mortgages with LTV ratios greater than 105 percent and less than or equal to 125 percent may only include Relief Refinance Mortgages at these higher LTV ratios. Sellers must take out separate fixed-rate contracts based on the specific LTV range for the contract. <ul style="list-style-type: none"> <li>○ To identify these fixed-rate cash contracts, select the appropriate range using the "LTV Range for the Contract" field located on the "Take Out Cash Contract" screen in the selling system. Select: <ul style="list-style-type: none"> <li>▪ "&gt;105% - &lt;=115%" for LTV ratios greater than 105 percent and less than or equal to 115 percent.</li> <li>▪ "&gt;115%" for LTV ratios greater than 115 percent and less than or equal to 125 percent.</li> </ul> </li> <li>○ A cash adjustor applies to all Relief Refinance Mortgages with LTV ratios greater than 105 percent that are sold</li> </ul> </li> </ul>

	<p>to Freddie Mac for cash. The cash adjustor applicable to a particular mortgage will be determined as of the commitment date and will be reflected in the cash pricing shown in the selling system once the Seller allocates mortgages to the contract.</p> <ul style="list-style-type: none"> <li>o To obtain the cash adjustor value, prior to taking out a commitment in the selling system, please call 800-FREDDIE, enter your Seller/Servicer number and select "delivery." The delivery agent will provide the day's cash adjustor value.</li> </ul>
<b>Securities and Pooling Requirements</b>	<ul style="list-style-type: none"> <li>• All current pooling requirements apply including the specific requirements for super conforming mortgages.</li> <li>• Fixed-rate and adjustable-rate Relief Refinance Mortgages with LTV ratios less than or equal to 105 percent may be pooled with other mortgages without additional pooling requirements.</li> <li>• Fixed-rate Relief Refinance Mortgages with LTV ratios greater than 105 percent must be pooled separately in PC pools comprised entirely of Relief Refinance Mortgages with LTV ratios greater than 105 percent. These PC pools are not eligible for sale in the TBA market.</li> </ul>
<b>Effective Dates</b>	<p>Relief Refinance Mortgages – Same Servicer must:</p> <ul style="list-style-type: none"> <li>• Have a note date on or before December 31, 2013.</li> <li>• Be delivered no more than 120 days after the note date.</li> <li>• Refer to <a href="#">Timeline of Changes for Freddie Mac Relief Refinance Mortgages</a> on FreddieMac.com.</li> </ul>
<b>Others</b>	<p>For complete Relief Refinance Mortgage – Same Servicer requirements see :</p> <ul style="list-style-type: none"> <li>• Guide Chapter A24 - <i>Relief Refinance Mortgages – Same Servicer with LTV Ratios Greater than 80%</i></li> <li>• Guide Chapter C24 – <i>Relief Refinance Mortgages – Same Servicer with LTV Ratios Less than or Equal to 80%</i></li> </ul>

**Learn more about Relief Refinance Mortgages – Same Servicer:**

- Call 800-FREDDIE
- Visit FreddieMac.com