



## 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 supports the Making Home Affordable Program by helping borrowers who are making timely mortgage payments but have been unable to refinance due to declining property values. With this offering, you can refinance more of your current customers into mortgages that better position them for long-term homeownership success.

With flexibility that allows LTV ratios up to 125 percent, relief from standard mortgage insurance requirements and simplified appraisal and borrower eligibility requirements because you're currently servicing the mortgage, you can refinance more of your borrowers.

#### **> Borrower Profile**

- For borrowers who have experienced declining property values
- Borrowers must be current on their mortgage payments
- Payment history cannot have any 30 day or more late payments in the most recent 12 months

#### **> Key Features**

- Must be originated by the Seller/Servicer that currently services the mortgage being refinanced
- Maximum LTV ratios up to 125 percent
- No maximum TLTV/HTLTV ratios
- Simplified appraisal and borrower eligibility requirements
- Relief from standard mortgage insurance requirements

MORTGAGE BEING REFINANCED ELIGIBILITY REQUIREMENTS	
<b>General Eligibility Requirements</b>	<ul style="list-style-type: none"> <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>◦ Have met Freddie Mac eligibility requirements on the note date as stated in the Seller's purchase documents.</li> <li>◦ Be seasoned for at least three months.</li> </ul> </li> <li>• Seller or an affiliate of the Seller originating the new mortgage must be the Servicer of the mortgage being refinanced.</li> <li>• The Seller/Servicer, as 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 were sold to Freddie Mac with mortgage insurance, recourse or indemnification are eligible for refinancing into a Relief Refinance Mortgage – Same Servicer. Refer to Guide Section A24.3 (k) for additional requirements for refinancing mortgages sold with recourse or indemnification.</li> </ul>
<b>Mortgage Payment History</b>	<ul style="list-style-type: none"> <li>• No 30 day or more delinquencies in the past 12 months.</li> <li>• If mortgage is less than 12 months old, then no 30 day or more delinquencies since the note date.</li> </ul>
<b>Effective Dates</b>	<ul style="list-style-type: none"> <li>• The mortgage being refinanced must have a Freddie Mac settlement date on or before May 31, 2009.</li> </ul>
RELIEF REFINANCE MORTGAGE – SAME SERVICER ELIGIBILITY REQUIREMENTS	
<b>Borrower Benefit</b>	<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> </ul>
<b>Eligible Mortgage Products</b>	<p>Relief Refinance Mortgages – Same Servicer may be:</p> <ul style="list-style-type: none"> <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) provided the LTV ratio does not exceed 105 percent.</li> </ul> <p>Notes:</p> <ul style="list-style-type: none"> <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>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• 1- to 4-unit primary residence.</li> <li>• 1-unit second home, 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> </ul> <p>Note: 1-unit second home mortgages and 1- to 4-unit investment property mortgages that are now owner-occupied primary residences may be refinanced as Relief Refinance Mortgages – Same Servicer.</p>
<b>Refinance Proceeds</b>	<ul style="list-style-type: none"> <li>• The proceeds of the Relief Refinance Mortgage – Same Servicer must be used only to:               <ul style="list-style-type: none"> <li>◦ Pay off of the first mortgage (amount includes the unpaid principal balance and accrued interest through the payoff date). The payoff amount can be rounded up to the nearest thousand.</li> <li>◦ Pay the lesser of 4 percent of the current unpaid principal balance of the mortgage being refinanced or \$5,000 in related closing costs, financing costs, and prepaids/escrows*.</li> </ul> </li> <li>• Funds available as a result of the rounding must be:               <ul style="list-style-type: none"> <li>◦ Applied as a principal curtailment to the refinance mortgage and/or</li> <li>◦ Disbursed as cash to the borrower not to exceed \$250.</li> </ul> </li> </ul> <p>* This update is effective for Freddie Mac settlements on or after September 1, 2009.</p>
<b>Maximum LTV/TLTV/HTLTV</b>	<ul style="list-style-type: none"> <li>• The maximum LTV ratio may not exceed 125 percent*.</li> <li>• There is no maximum TLTV or HTLTV ratio.</li> </ul> <p>* Relief Refinance Mortgages – Same Servicer with LTV ratios greater than 105 percent and less than or equal to 125 percent are eligible for Freddie Mac settlements on or after October 1, 2009.</p>
<b>Mortgage Insurance</b>	<p>For an LTV ratio greater than 80 percent:</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.</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<sup>®</sup> or any other AUS.</li> <li>• Requalifying the borrower is not required unless the borrower's principal and interest payment on the refinance mortgage increases by more than 20 percent.</li> <li>• If the principal and interest payment on the refinance mortgage increases by more than 20 percent, the borrower must have a minimum Indicator Score of 620 and a maximum debt-to-income ratio of 45 percent.</li> </ul>
<b>Collateral Assessment</b>	<ul style="list-style-type: none"> <li>• The Seller may use Home Value Explorer<sup>®</sup>, a new appraisal (or AVM if permitted by the Seller's purchase documents), or the appraisal (or AVM if permitted by the Seller's purchase documents) from the existing mortgage to determine property value. Refer to Guide Chapter A24.3 for complete requirements.               <ul style="list-style-type: none"> <li>◦ Regardless of the method chosen, the Seller is responsible for the original appraisal or AVM value and the original representations and warranties regarding the value, condition and marketability of the mortgaged premises for the mortgage being refinanced.</li> </ul> </li> </ul>

<b>Collateral Assessment, contd.</b>	<ul style="list-style-type: none"> <li>• Seller may use an HVE point value estimate for 1-unit properties with a Forecast Standard Deviation no greater than 0.20 (corresponding to a medium or high Confidence Score) and that meets the requirements in Guide Chapter A24. <ul style="list-style-type: none"> <li>○ If the requirements of Guide Chapter A24.3 (d) are met: <ul style="list-style-type: none"> <li>▪ The Seller is relieved of representations and warranties for the value, condition and marketability of the mortgaged premises provided that, as of the delivery 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> </ul> </li> <li>○ The date of the HVE estimate (HVE Value Date) must be no more than 180 days old when the refinance mortgage is delivered to Freddie Mac.</li> </ul> </li> </ul>
<b>Secondary Financing</b>	<ul style="list-style-type: none"> <li>• Must be subordinate to the Relief Refinance Mortgage – Same Servicer and must meet the requirements for secondary financing in Guide Chapter 25.</li> <li>• An increase in the current unpaid principal amount of any junior lien is not permitted and no new secondary financing is permitted.</li> <li>• An existing junior lien that is serviced by the Seller of the Relief Refinance Mortgage – Same Servicer, may be refinanced simultaneously with the first-lien mortgage being refinanced only if 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> </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> <li>• If the junior lien being refinanced is a fixed-rate junior lien, the new junior lien cannot be an ARM.</li> </ul>
<b>Delivery Requirements</b>	<ul style="list-style-type: none"> <li>• Relief Refinance Mortgages – Same Servicer are eligible for sale only through the selling system under the flow sales path.</li> <li>• Relief Refinance Mortgages – Same Servicer must be delivered to Freddie Mac no more than 120 days after the note date, and as of the delivery date, if applicable, the HVE point value estimate may not be more than 180 days old.</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 should 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 should enter a replacement mortgage insurance certificate number, as provided by the mortgage insurer, in lieu of the existing mortgage insurance certificate number 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.</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>• The total of all delivery fees is capped at 200 basis points.</li> <li>• A reduced term incentive of 50 basis points, effectively lowering the delivery fee cap to 150 basis points, is applied for fixed-rate Relief Refinance Mortgages having LTV ratios greater than 105 percent and less than or equal to 125 percent if:* <ul style="list-style-type: none"> <li>○ The term of the mortgage being refinanced was 30 years or greater</li> <li>○ The term of the Relief Refinance Mortgage is greater than 15 years and less than or equal to 25 years.</li> </ul> </li> </ul> <p>* Relief Refinance Mortgages – Same Servicer with LTV ratios greater than 105 percent and less than or equal to 125 percent are eligible for Freddie Mac settlements on or after October 1, 2009.</p>
<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> </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.* <ul style="list-style-type: none"> <li>○ To identify these fixed-rate cash contracts, enter "Over105" with no space in the "Contract" name field on the "Take Out a Cash Contract" screen in the selling system.</li> <li>○ A cash adjustor applies to all Relief Refinance Mortgages with LTV ratios greater than 105 percent that are sold to Freddie Mac for cash. This cash adjustor amount will change from time to time at Freddie Mac's discretion; 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.</li> </ul> </li> <li>• Relief Refinance Mortgages – Same Servicer with LTV ratios greater than 105 percent and less than or equal to 125 percent are eligible for Freddie Mac settlements on or after October 1, 2009.</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> <p>* Relief Refinance Mortgages – Same Servicer with LTV ratios greater than 105 percent and less than or equal to 125 percent are eligible for Freddie Mac settlements on or after October 1, 2009.</p>
<b>Effective Dates</b>	<ul style="list-style-type: none"> <li>• Fixed-rate and adjustable-rate Relief Refinance Mortgages – Same Servicer with LTV ratios less than or equal to 105 percent must: <ul style="list-style-type: none"> <li>○ Have note dates between March 4, 2009, and June 10, 2010.</li> <li>○ Have a Freddie Mac settlement date on or after April 1, 2009.</li> <li>○ Be delivered not more than 120 days after the note date.</li> </ul> </li> <li>• Fixed-rate Relief Refinance Mortgages – Same Servicer with LTV ratios greater than 105 percent and less than or equal to 125 percent must: <ul style="list-style-type: none"> <li>○ Have note dates before June 10, 2010.</li> <li>○ Have a Freddie Mac settlement date on or after October 1, 2009.</li> <li>○ Be delivered not more than 120 days after the note date.</li> </ul> </li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• For complete Relief Refinance Mortgage – Same Servicer requirements see Guide Chapter A24.</li> </ul>

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

- Call 800-FREDDIE
- Visit [FreddieMac.com](http://FreddieMac.com)