



### Key Features:

- Sell seasoned mortgages into the secondary market
- Most conventional mortgages
- Sell only a few or a large volume
- 1- to 4-unit primary residences and investment properties, 1-unit second homes

### Looking for Other Products Eligible for Sale to Freddie Mac as Seasoned Mortgages?

Visit [www.FreddieMac.com](http://www.FreddieMac.com) for more information on:

- 40-year fixed-rate mortgages
- Alt 97<sup>®</sup> Mortgages
- Freddie Mac 100 Mortgages
- Manufactured Homes

### Learn More about Selling Seasoned Mortgages to Freddie Mac:

- Refer to Chapter 36 of your *Single-Family Seller/Servicer Guide*
- Call (800) FREDDIE
- Visit our website at [www.FreddieMac.com](http://www.FreddieMac.com)

## Seasoned Mortgages

### *Another Way to Maximize Your Profitability With Freddie Mac*

If you're looking to restructure your balance sheet, adjust your loan-to-deposit ratios or manage your mortgage pipeline more effectively, consider selling your seasoned mortgages to Freddie Mac. You can sell seasoned fixed-rate mortgages, ARMs and other eligible product types—loans with Note Dates more than 12 months before the Delivery Date, if sold through MIDANET<sup>®</sup>, or the Freddie Mac Settlement Date, if sold through the selling system—under the *Single-Family Seller/Servicer Guide* (Guide).

We have a unique definition for Seasoned Mortgages for Newly Constructed Homes. Seasoned Mortgages for Newly Constructed Homes are those with a Settlement Date more than 18 months after the oldest date of the borrower's credit, capacity or collateral documentation.

With our Guide requirements, you can sell up to \$10 million of seasoned mortgages in any calendar year, including seasoned investment property mortgages. Plus, you can further leverage the benefits of a Freddie Mac sale for seasoned mortgages that at the time of origination exceeded our loan limits, but are now eligible for sale based on current loan limits. Larger volumes of seasoned mortgages are eligible for sale on a negotiated basis.

Whether you sell us a few or many seasoned mortgages using our cash or Guarantor executions, you'll have additional options to make your mortgage holdings work more effectively, while enhancing your strategy to mitigate the risks of holding certain types of mortgages as the market changes.

### **Lender Benefits**

More options and increased flexibility to sell seasoned mortgages to Freddie Mac gives you:

- Many execution options to address different business needs
- Maximum profitability through better portfolio management of your retained portfolio
- More liquidity as you seek more funds to lend for home financing
- Additional ways to strategically address balance sheet assets and loan-to-deposit or loan-to-share challenges

### **Eligible Property Types**

- 1- to 4-unit Primary Residences
- 1- to 4-unit Investment Properties
- 1-unit Second Homes

### **Eligible Mortgages**

Conventional mortgages eligible for purchase through our Guide are generally eligible for purchase as seasoned mortgages, except:

- ⇒ Loan Prospector<sup>®</sup> A-minus Mortgages
- ⇒ Balloon/Reset mortgages
- ⇒ All CMT-and LIBOR-indexed ARMs sold through our ARM Cash and WAC ARM Cash sale paths
- ⇒ Mortgages originated using the Loan Prospector Property Inspection Alternative or Form 2070
- ⇒ Mortgages delivered through the MultiLender Swap execution
- ⇒ Home Possible<sup>SM</sup> Mortgages
- ⇒ Initial Interest<sup>®</sup> Mortgages
- ⇒ Mortgages secured by Manufactured Homes

### **Special Considerations for Seasoned Loans**

- Seller-Owned Modified Mortgages and Seller-Owned Converted Mortgages will be considered seasoned mortgages if the modification/conversion (mod/conv) date is more than 12 months prior to the Delivery Date, if sold through MIDANET, or the Freddie Mac Settlement Date, if sold through the selling system.
- A refinance mortgage secured by property located in New York state documented using the New York Consolidation, Extension and Modification Agreement (NY CEMA) will be considered a seasoned mortgage if the most recent NY CEMA date is more than 12 months prior to the Delivery Date if sold through MIDANET, or the Freddie Mac Settlement Date, if sold through the selling system.
- Mortgages for Newly Constructed Homes will be considered seasoned if the Delivery Date, if sold through MIDANET, or the Settlement Date if sold through the selling system, occurs more than 18 months after the oldest date a borrower's credit, capacity or collateral has been documented.
  - ⇒ Mortgages for Newly Constructed Homes where the terms of the Permanent Financing have been changed or the mortgage product has changed or if an adjustable rate mortgage, has been converted to a fixed rate after the Effective Date of Permanent Financing are not Seasoned Mortgages for Newly Constructed Homes; these mortgages may be a Seasoned Mortgage as defined in the Guide Glossary and described in Section 36.1.1

### **Borrower Eligibility Requirements**

A minimum Indicator Score of 680 for 1- to 4-unit Primary Residences or 1-unit second homes; a minimum Indicator Score of 720 for 1- to 4-unit Investment Properties. The Credit Scores used to determine the Indicator Score must not be more than 120 days old as of the Delivery Date if sold through MIDANET, or the Freddie Mac Settlement Date, if the mortgage is sold through the selling system.

### **Loan Prospector Assessment**

Seasoned mortgages are not eligible for Loan Prospector representation and warranty relief.

### **Special Underwriting Requirements**

- Underwriting requirements must have been met on the Note Date or for Seasoned Mortgages for Newly Constructed Homes, the Effective Date of Permanent Financing.
- The borrower's payment history may not have any late payments exceeding 30 days during the 12 months prior to the MIDANET Delivery Date or selling system Settlement Date, as applicable.
- The current LTV ratio is not greater than the maximum LTV ratio permitted under the Guide on the Delivery Date or Freddie Mac Settlement Date, as applicable.
- For a mortgage that had an LTV ratio greater than 80% on the Note Date and has a current LTV ratio greater than 80%, the required level of mortgage insurance will be determined by the mortgage insurance coverage requirements in the Guide as the of Note Date. You are not required to increase existing mortgage insurance coverage if our minimum coverage amounts have changed.
- Additional special underwriting requirements apply to Seasoned Mortgages for Newly Constructed Homes. Refer to Guide Section K33.13(a).

### **Collateral Assessment**

The Seller must either warrant that the property value has not declined since the Note Date, or must obtain a new collateral assessment that meets the requirements of Guide Chapter 44.

### **Eligible Executions**

- Mandatory, Servicing-retained Fixed-rate Cash
- Fixed-rate Guarantor
- WAC ARM Guarantor
- Seasoned mortgages **are not** eligible for sale through the MultiLender Swap, ARM Cash or WAC ARM Cash executions

### **Delivery Fees**

- Seasoned mortgages will be assessed a seasoned mortgage postsettlement delivery fee, based on the length of the seasoning.

- Delivery fees applicable to a loan product will also apply to the seasoned mortgage product with the same loan attributes.
  - See Exhibit 19 of your *Single-Family Seller/Servicer Guide* for more details, or visit our online Guide Exhibit 19 at: [www.FreddieMac.com/singlefamily/pdf/ex19.pdf](http://www.FreddieMac.com/singlefamily/pdf/ex19.pdf).
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The information in this document is not a replacement or substitute for information found in the *Single-Family Seller/Servicer Guide* and/or the terms of your Master Agreement and/or Master Commitment