

Bulletin

TO: All Freddie Mac Sellers and Servicers

August 1, 2007

SUBJECT: Revised Postsettlement Delivery Fee Rates for Home Possible® Mortgages and Revised Secondary Financing Delivery Fee Rates

In a market where home value appreciation has slowed or values have declined, delinquency rates are rising, and credit standards are tightening, Freddie Mac continues to evaluate the Mortgages we purchase to ensure that our requirements and pricing are reflective of current mortgage market risks. Despite recent shifts in the market, Freddie Mac remains committed to purchasing products with flexibility for Borrowers with diverse needs. Consistent with these objectives, we are increasing the postsettlement delivery fee (delivery fee) rates for Home Possible Mortgages.

We are also increasing delivery fee rates for certain Mortgages with secondary financing. The revised delivery fee rates for these Mortgages ensures that the delivery fee rates are aligned with the associated risk, without affecting Mortgages that do not fit the designated criteria.

Effective date: November 1, 2007

All changes announced in this Bulletin will become effective for Mortgages with Freddie Mac Settlement Dates on or after November 1, 2007.

Home Possible Mortgages

Effective for settlements on or after November 1, 2007, we are increasing delivery fee rates by 100 basis points for Home Possible Mortgages. This delivery fee rate increase will not apply to purchase transaction Home Possible Mortgages when the income used to qualify the Borrower, converted to an annual basis, does not exceed 80% of the applicable area median income.

Sellers should use the Affordable Income & Property Eligibility tool on FreddieMac.com at <http://ww3.freddie.com/ds2/sell/affgold.nsf/fmHomePage?OpenForm> to find out more about the area median income limits.

The delivery fee rate increase will also not apply to purchase transaction Home Possible Mortgages secured by properties located in eligible Disaster Areas affected by Hurricane Katrina and Hurricane Rita with a Note Date of December 31, 2007 or earlier. Freddie Mac removed the area income limits for these Mortgages in a Guide Bulletin dated June 26, 2006. These Mortgages must be delivered to us no later than March 31, 2008.

The updated Home Possible Mortgage delivery fee rates are reflected in the revised [Exhibit 19, Postsettlement Delivery Fees](#), which is attached to this Bulletin as [Exhibit A](#).

Special delivery requirements

New special characteristics code “140” is required for delivery of any purchase transaction Home Possible Mortgage when the income used to qualify the Borrower, converted to an annual basis, does not exceed 80% of the applicable area median income and when a purchase transaction Home Possible Mortgage is secured by property located in a Hurricane Katrina/Hurricane Rita eligible Disaster Area. Sellers are reminded that in addition to delivering this new special characteristics code they must comply with all of the existing delivery requirements for Home Possible Mortgages set forth in *Single-Family Seller/Service Guide Section 17.13.1*, including the requirement for delivery of other applicable special characteristics codes.

[Form 11, Mortgage Submission Schedule](#), and [Form 13SF, Mortgage Submission Voucher](#), will be updated in a future Bulletin to include new special characteristics code “140.”

All other delivery requirements for Home Possible Mortgages remain unchanged.

Mortgages with secondary financing

Effective for settlements on or after November 1, 2007, we are:

- Revising the [Exhibit 19](#) fee grid titled *Secondary Financing for Home Possible Mortgages* to increase the secondary financing delivery fee rate by 25 basis points for all Home Possible Mortgages with an Indicator Score less than 700; and
- Revising the [Exhibit 19](#) fee grids titled *Secondary Financing for Mortgages other than Home Possible and Initial Interest Mortgages* and *Secondary Financing for Initial Interest Mortgages* to increase the delivery fee rate by 25 basis points for such Mortgages with an 80/10/10 secondary financing structure and an Indicator Score less than 700.

The updated secondary financing delivery fee rates are reflected in the revised [Exhibit 19](#) attached to this Bulletin as [Exhibit A](#).

Please note that secondary financing delivery fee rates for Mortgages other than Home Possible Mortgages with an 80/10/10 secondary financing structure and an Indicator Score that is equal to or greater than 700 remain unchanged. The secondary financing delivery fee rates for Mortgages other than Home Possible Mortgages with 75/20/5, 80/15/5 and 90/5/5 financing structures also remain unchanged.

A secondary financing delivery fee is not assessed on a Mortgage with an Affordable Second[®] meeting the requirements of [Section 25.1\(g\)](#). As a reminder, Sellers must deliver special characteristics code “583” when delivering Mortgages with an Affordable Second.

Updating the Guide

The Guide will be revised in a future Bulletin to reflect these changes, with the exception of [Exhibit 19](#), which is revised and attached to this Bulletin as [Exhibit A](#).

Conclusion

The changes announced in this Bulletin reflect Freddie Mac’s continued commitment to provide you mortgage offerings for Borrowers of varying financial circumstances. The fee rates for these Mortgages ensure that fees you pay us are aligned with the associated risk, without affecting Mortgages that do not fit these criteria. If you have questions, please contact your Freddie Mac representative or call (800) FREDDIE.

Sincerely,



Patricia J. McClung
Vice President
Customer Outreach and Offerings Deployment