

# Bulletin

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**TO:** All Freddie Mac Sellers and Servicers

August 8, 2008

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## **SUBJECTS**

With this *Single-Family Seller/Servicer Guide* (Guide) Bulletin, Freddie Mac is amending Guide Section 17.2, Provisions for the payment of fees and proceeds and application of delivery fee credits.

We are also making the following changes to our postsettlement delivery fees (delivery fees), effective for all Mortgages sold to Freddie Mac under flow Purchase Contracts with Freddie Mac Settlement Dates on or after **November 7, 2008**:

- Increasing the Market Condition delivery fee rate
- Adding a new Indicator Score range, revising the Indicator Score/Loan-to-Value ratio delivery fee rates and adding new delivery fee credits for Mortgages with certain Indicator Score/Loan-to-Value combinations
- Increasing cash-out refinance Mortgages Indicator Score/Loan-to-Value delivery fee rates for cash-out refinance Mortgages with certain Indicator Score/Loan-to-Value combinations
- Increasing Credit Score/Loan-to-Value (CS/LTV) delivery fee rates for certain A-minus Mortgages, other Caution Mortgages and Non-Loan Prospector® Mortgages
- Increasing the Investment Property Mortgage delivery fee rates

## **GUIDE SECTION 17.2**

### **Effective immediately**

Section 17.2 provides that Freddie Mac may change its process for determining whether a Mortgage is subject to a delivery fee or credit, and implement or change delivery fee rates or credits. We are revising this section to provide that Freddie Mac may take such actions upon prior written notice to the Seller.

## **POSTSETTLEMENT DELIVERY FEES**

**Effective date: Freddie Mac Settlement Dates on or after November 7, 2008**

### *Market Condition delivery fee*

We are increasing the Market Condition delivery fee rate from 25 basis points to 50 basis points. The Market Condition delivery fee was announced in our special December 11, 2007 Guide Bulletin, and applies to all Mortgages sold under flow Purchase Contracts, including Mortgages sold with recourse and indemnification.

The Market Condition Delivery Fee is applied in addition to all other applicable delivery fees.

*Indicator Score/Loan-to-Value ratio delivery fees*

We are adding a new Indicator Score range to our Indicator Score/Loan-to-Value table, revising our Indicator Score/Loan-to-Value ratio delivery fee rates and adding new delivery fee credits for Mortgages with certain Indicator Score/LTV ratio combinations as follows:

INDICATOR SCORE / LOAN-TO-VALUE									
Product	Credit Score	LTV Ratios							
		≤ 60%	> 60% & ≤ 70%	> 70% & ≤ 75%	> 75% & ≤ 80%	> 80% & ≤ 85%	> 85% & ≤ 90%	> 90% & ≤ 95%	> 95%
	≥ 740	-0.25%	0.00%	0.00%	0.00%	0.00%	-0.25%	-0.25%	
	≥ 720 & < 740	-0.25%	0.00%	0.00%	0.25%	0.00%	-0.25%	-0.25%	Not Eligible
	≥ 700 & < 720	-0.25%	0.50%	0.50%	0.75%	0.50%	0.25%	0.25%	
	≥ 680 & < 700	0.00%	0.50%	0.50%	1.00%	0.50%	0.25%	0.25%	
	≥ 660 & < 680	0.00%	0.50%	1.25%	1.75%	1.50%	1.00%	1.00%	
	≥ 640 & < 660	0.00%	0.50%	1.75%	2.25%	2.00%	1.50%	1.50%	
	≥ 620 & < 640	0.00%	0.75%	2.50%	2.75%	2.75%	2.25%	2.25%	
	< 620	0.00%	0.75%	2.75%	2.75%	2.75%	2.75%	2.75%	

Sellers are reminded that the Indicator Score/Loan-to-Value delivery fees do not apply to the following Mortgages, provided such Mortgages meet the requirements of a Seller’s Purchase Documents:

- 15-year fixed-rate Mortgages
- Home Possible® Mortgages
- FHA/VA Mortgages
- Section 184 Native American Mortgages
- Section 502 Guaranteed Rural Housing Mortgages
- A-minus Mortgages (Mortgages that meet the requirements described in Guide Chapter C33), other Caution Mortgages and Non-Loan Prospector Mortgages that are subject to the CS/LTV (A-minus) fees, as set forth on Exhibit 19, Postsettlement Delivery Fees

*Cash-out Refinance Mortgages Indicator Score/Loan-to-Value delivery fees*

We are increasing the cash-out refinance Mortgages Indicator Score/Loan-to-Value delivery fee rates for cash-out refinance Mortgages with certain Indicator Score/Loan-to-Value ratio combinations as follows:

<b>CASH-OUT REFINANCE MORTGAGES INDICATOR SCORE / LOAN-TO-VALUE</b>							
Product	Credit Score	LTV Ratios					
		≤ 60%	> 60% & ≤ 70%	> 70% & ≤ 75%	> 75% & ≤ 80%	> 80% & ≤ 85%	> 85%
	≥ 740	0.000%	0.000%	0.000%	0.250%	0.375%	Not Eligible
	≥ 720 & < 740	0.000%	0.125%	0.125%	0.500%	1.000%	
	≥ 700 & < 720	0.000%	0.125%	0.125%	0.500%	1.000%	
	≥ 680 & < 700	0.000%	0.250%	0.250%	0.875%	2.000%	
	≥ 660 & < 680	0.000%	0.250%	0.250%	1.000%	2.000%	
	≥ 640 & < 660	0.000%	0.750%	0.750%	1.750%	2.500%	
	≥ 620 & < 640	0.000%	0.750%	0.750%	2.250%	2.500%	
	< 620	1.000%	1.750%	1.750%	2.750%	3.000%	

These delivery fee rates apply to cash-out refinance Mortgages in addition to the applicable Indicator Score/Loan-to-Value delivery fee.

*CS/LTV (A-minus) delivery fees – Loan Prospector Mortgages*

- For A-minus Mortgages and other Caution Mortgages with Loan Prospector feedback message level 4, we are increasing the delivery fee rate from 325 basis points to 400 basis points
- For A-minus Mortgages and other Caution Mortgages with Loan Prospector feedback message level 5, we are increasing the delivery fee rate from 375 basis points to 400 basis points

*CS/LTV (A-minus) delivery fees – Non-Loan Prospector Mortgages*

We are increasing the delivery fee rates for Non-Loan Prospector Mortgages subject to CS/LTV (A-minus) delivery fees as follows:

<b>CS/LTV DELIVERY FEES (“A-MINUS FEES”) – NON-LP MORTGAGES</b>							
Product	Non-LP Mortgages Subject to A-Minus Fees	Credit Score	LTV Ratios				
			≤ 60%	> 60% & ≤ 75%	> 75% & ≤ 90%	> 90% & ≤ 95%	
All Eligible Product	See Eligibility Chart on Pages 19 and 20 of Exhibit 19	≥ 700 & ≤ 850	1.25%	1.25%	1.25%	1.25%	Not Eligible
		≥ 660 & ≤ 699	1.25%	1.25%	2.75%	1.50%	
		≥ 620 & ≤ 659	1.25%	2.75%	4.00%	2.75%	
		≥ 580 & ≤ 619	1.25%	4.00%	4.00%	4.00%	
		< 580	2.75%	4.00%	4.00%	4.00%	

*Investment Property Mortgages delivery fees*

We are increasing the delivery fee rates for Investment Property Mortgages as follows:

INVESTMENT PROPERTY MORTGAGES				
Product	LTV Ratios			
	≤ 75%	> 75% & ≤ 80%	> 80% & ≤ 85%	> 85%
All Eligible Product	1.75%	3.00%	3.75%	Not Eligible

*Revised Exhibit 19, Postsettlement Delivery Fees*

Exhibit 19 has been updated to reflect the revised delivery fee rates and delivery fee credits announced in this Bulletin.

**CONCLUSION**

If you have questions regarding changes announced in this Bulletin, please contact your Freddie Mac representative or call (800) FREDDIE.

Sincerely,



Patricia J. McClung  
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