

Bulletin

NUMBER: 2009-14

TO: Freddie Mac Sellers and Servicers

June 17, 2009

SUBJECTS

Both selling and Servicing requirements are amended with this *Single-Family Seller/Servicer Guide* (“Guide”) Bulletin.

With this Bulletin, we are making the following changes to our [selling requirements](#):

- Reminding Sellers that, as previously communicated, we are [activating net price functionality](#) for all Sellers selling Mortgages under the Cash program through the Freddie Mac Selling System (“Selling System”)

We are making the following changes to our [selling and Servicing requirements](#):

- Revising our requirements regarding [calculation of the repurchase price](#) to provide that Freddie Mac may recapture premiums and buyup proceeds for repurchases that adversely impact a PC investor
- Revising Exhibit 28A, *Loan Servicing Purchase and Sale Agreement for the Servicing-Released Sales Process*, to provide that a Servicer may charge the Seller a [late document fee](#) when certain Transfer of Servicing documents have not been delivered within six months of the Sale Date
- Updating Form 483, *Wire Transfer Authorization*, and Form 987E, *Wire Transfer Authorization for a Cash Warehouse Delivery*, to require that the Seller/Servicer provide an [e-mail address](#) in the signature block for the Seller/Servicer’s authorized officer

We are making the following changes to our [Servicing requirements](#):

- Updating the list of Uniform Instruments and authorized changes to Uniform Instruments to [incorporate instruments](#) required for Mortgages modified under the Home Affordable Modification Program
- Revising [expense limits](#) and creating an expense code for exterminations
- Reinforcing the requirement that the Servicer – not designated counsel – must prepare the [foreclosure sale bid](#) on all Mortgages with mortgage insurance coverage

Effective dates

- **July 1, 2009** – Net price functionality will be activated for all Sellers for all Mortgages sold to Freddie Mac through the Selling System under the Cash program with Funding Dates on or after this date
- **October 1, 2009** – For Mortgages sold under the Selling System Servicing-Released Sales Process, a Servicer will be entitled to charge the Seller a late document fee when all original final documents specified in Section 12 of the Servicing Transfer Instructions have not been delivered to the Servicer or the Servicer’s Custodian within six months of the sale date, beginning on this date

Revisions to the Guide

The revisions included in this Bulletin impact the following:

- [Chapters 9, 10, 17, 66 and 72](#)
- [Exhibits 4, 5, 28A, 57 and 74](#)
- [Forms 483 and 987E](#)

SELLING REQUIREMENTS

Net price activated for all Mortgages sold through the Selling System under the Cash program

This year Freddie Mac will begin a multi-phase effort to migrate to a centralized, flexible pricing service that will improve loan delivery and pricing capabilities for all Freddie Mac Sellers using the Selling System.

As part of this effort, and as previously communicated to impacted Sellers, effective **July 1, 2009**, net price functionality (an automated Selling System pricing functionality previously available only on a limited basis) will be activated for all Sellers selling Mortgages under the Cash program through the Selling System. As a result, for such Mortgages with Funding Dates on or after **July 1, 2009**, Freddie Mac will net the delivery fees and credits from the proceeds due to a Seller at funding. These fees/credits will no longer appear on the Seller's invoice (however, if there are adjustments to a fee or credit subsequent to our purchase of a Mortgage, those amounts *will* be displayed on the invoice, as will other fees or credits, such as pair-off fees, late payment fees, etc.).

Because Sellers will be able to view the net price and a breakdown of delivery fees in the Selling System prior to funding, this change should help Sellers reduce postsettlement data reconciliation with Freddie Mac. Sellers will be able to correct data problems triggering incorrect fees before the Mortgage purchase is funded.

Freddie Mac will activate net pricing functionality on **July 1, 2009** for all Sellers with active Selling System Seller numbers. In addition, net pricing functionality will be activated for all new and reactivated Sellers at the time they activate or reactivate their Selling System access on and after that date.

[Guide Sections 9.7, 10.11 and 17.2](#) have been updated to reflect this new requirement.

SELLING AND SERVICING REQUIREMENTS

Repurchase price

[Section 72.3](#) has been revised with respect to calculation of the repurchase price to provide that Freddie Mac may recapture premiums and buyup proceeds that were paid to the Seller for repurchases that adversely impact a PC investor.

Late document fee

Effective **October 1, 2009**, for Mortgages sold under the Selling System Servicing-Released Sales Process, a Servicer will be entitled to charge the Seller a late document fee when all original final documents specified in Section 12 of the Servicing Transfer Instructions have not been delivered to the Servicer or the Servicer's Custodian within six months of the Sale Date. Currently [Exhibit 28A](#), Section 6.3 permits the Servicer to charge this fee if the documents are not delivered within 12 months.

This change should help relieve the additional operational obstacle for Servicers trying to complete a Transfer of Servicing created by having to wait for final documents to arrive.

[Exhibit 28A](#) has been updated to reflect this change.

Authorized officer e-mail address

Freddie Mac sends an e-mail verification to validate instructions Seller/Servicers submit on [Guide Forms 483](#) and [987E](#). To ensure that the correct e-mail address is on file to process these requests in a timely manner, we have updated the signature blocks for the Seller/Servicer's authorized officer on these forms to require the e-mail address of the authorized signatory.

SERVICING REQUIREMENTS

Home Affordable Modification Program Uniform Instruments

[Exhibit 4, Single-Family Uniform Instruments](#), has been revised to include the following Uniform Instruments required under the Home Affordable Modification Program:

- Home Affordable Modification Trial Period Plan, Form 3156 3/09 (rev. 3/09)
- Home Affordable Modification Agreement, Form 3157 3/09 (rev. 3/09)

These Uniform Instruments are available on the Freddie Mac Uniform Instrument web site (<http://www.freddiemac.com/uniform/>) with our other Special Purpose Instruments.

Additionally, [Exhibit 5, Authorized Changes to Notes, Riders, Security Instruments and the Uniform Residential Loan Application](#), has been updated to include authorized changes to these Uniform Instruments.

Expense limits

Based on a recent analysis of our approved expense limits, we have made the following changes:

- Increased the expense limits for several existing expense codes
- Eliminated the requirement that a Servicer obtain prior approval before incurring an expense for pest removal, provided the amount meets the established limit
- Created a new expense code for exterminations
- Removed several expenses related to eviction, since Freddie Mac, and not the Servicer, incurs these expenses

[Exhibit 57, 1- to 4- Unit Property Approved Expense Amounts](#), and [Exhibit 74, Expense and Income Codes for Form 104SF](#), have been revised to reflect these changes.

Preparing the foreclosure sale bid

For Mortgages with mortgage insurance coverage, Servicers are ultimately responsible for the foreclosure bids submitted to the mortgage insurer. Therefore, we have updated [Sections 66.42](#) and [66.44](#) to reflect that the Servicer – not designated counsel – must prepare the foreclosure sale bid on all Mortgages with mortgage insurance coverage.

CONCLUSION

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

Sincerely,



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