

Bulletin

NUMBER: 2009-25

TO: Freddie Mac Sellers and Servicers

October 28, 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**:

- Updating the Guide to reflect that Sellers may access [data generated by Home Value Explorer®](#) for Freddie Mac Relief Refinance MortgagesSM through the Loan Prospector® browser
- Updating the Guide to include the applicable [citations for State anti-predatory lending laws and regulations](#)

We are making the following changes to our **selling and Servicing requirements**:

- Updating the Guide to reflect that, as of October 1, 2009, Freddie Mac is [no longer directly offering document custodial services](#), and has selected The Bank of New York Mellon Trust Company, N.A., as its Designated Custodian
- Strengthening requirements for [custodial vault fire protection](#)
- Adding additional guidance for Seller/Servicers regarding [London Interbank Offered Rate indices published in The Wall Street Journal](#) print edition and those indices published online
- Announcing changes to several [Uniform Instruments](#)

We are making the following changes to our **Servicing requirements**:

- Revising [approved attorney fees for evictions and title expenses](#)
- Revising [costs for certain Broker’s Price Opinions \(BPO\) requests](#) and removing Form 1127, *BPO Request Form*, which is no longer required
- Updating Directory 3 with the [new contact information](#) for Freddie Mac’s Performing Loans department

Effective Dates

All of these changes are effective immediately, except:

- **November 1, 2010** – Document Custodians, approved prior to October 28, 2009, with a vault that does not provide a minimum of two hours fire protection must bring the vault into compliance with the minimum two-hour protection requirement by this date

Revisions to the Guide

The revisions included in this Bulletin impact the following:

- [Chapters 2, 4, 6, 9, A9, B9, A10, 16, 17, 18, 22, 30, 46, 47, 52, 53, 56, 59, 65, A65, B65, C65, 66, 78, 79, 80](#) and [83](#)
- [Exhibits 4, 5, 15, 28, 28A, 30, 33, 57](#) and [57A](#)
- [Forms 960, 981, 987E, 1034B](#) and [1127](#)
- [Glossary](#)
- [Directories 3, 4, 5](#) and 9

SELLING REQUIREMENTS

Home Value Explorer data for Relief Refinance Mortgages available through the Loan Prospector browser

Freddie Mac has announced the availability of an automated look-up tool to obtain Home Value Explorer (HVE) point value estimates for use with eligible Freddie Mac Relief Refinance Mortgages – Same Servicer. Seller/Servicers can access the look-up tool through the Loan Prospector browser access method available at LoanProspector.com.

When the property, Mortgage, and the HVE value meet eligibility criteria for Relief Refinance Mortgages – Same Servicer, using the HVE value will provide Sellers with representation and warranty relief for value, condition and marketability of the property. See [Guide Chapter A24](#) for additional information.

We are updating [Guide Section 2.20](#) and [Guide Exhibit 15, *Loan Prospector User Agreement*](#), to reflect that Sellers may now access data generated by Home Value Explorer for Relief Refinance Mortgages through the Loan Prospector browser.

Citations applicable to State anti-predatory lending laws and regulations

[Section 22.18.1, *State Anti-Predatory Lending Laws and Regulations*](#), is being updated to include the citations applicable to State statutes and to reflect the accurate designation for subject loans as used in the various statutes.

SELLING AND SERVICING REQUIREMENTS

Document custodial operations

As announced in [Bulletin 2009-16 \(*Outsourcing Document Custodial Operations*\)](#), as of **October 1, 2009**, Freddie Mac is no longer directly offering document custodial services, and has selected The Bank of New York Mellon Trust Company, N.A. (BNYM), as its Designated Custodian. With this Bulletin, various Guide sections, forms and exhibits are being updated to reflect this change.

Servicers who used Freddie Mac's Document Custodial Operations as their Document Custodian are reminded that they were required to submit the required documentation to establish a custodian relationship with either the Designated Custodian or another Freddie Mac-approved Document Custodian by **October 1, 2009**. Servicers that have not yet established this relationship should refer to [Bulletin 2009-16](#) for further information.

Servicers are also reminded that Freddie Mac is no longer accepting the delivery of Notes at its office in Ashburn, Virginia. As announced in [Bulletin 2009-16](#), between **October 1, 2009**, and the Custodial Agreement Effective Date, BNYM, as Freddie Mac's vendor/agent, will certify the Notes for Mortgages delivered to Freddie Mac (in care of BNYM) and provide other custodial services for Notes in its custody. Once the Servicer has established a custodial relationship with a Document Custodian, the Notes for Mortgages being sold to Freddie Mac on or after the Custodial Agreement effective date must be sent to the Servicer's Document Custodian. Failure to comply will lead to delays in funding and late delivery fees.

Sellers are also reminded that effective **October 1, 2009**, they must deliver the Intervening Assignments when delivering Notes for certification to the Document Custodian, including BNYM in its capacity as vendor/agent for Freddie Mac or as Designated Custodian.

To reflect these changes, we are updating [Chapters 4, 6, 9, A9, B9, A10, 16, 18, 22, 46, 47, 52, 53, 56, 59, A65, B65, C65, 66, 78, and 80; Exhibits 28 and 28A; Forms 960 and 981; Guide Directory 4; and the Glossary](#). We are also adding new Exhibit 33 and new Directory 9.

Form 1034B, Custodial Certification Schedule – Balloon Loan Modification

[Form 1034B](#) is being updated to provide additional guidance for submitting the form and to remove references to Notes held by Document Custodial Operations.

Custodial vault fire protection

Freddie Mac's guidelines for custodial vault fire protection in [Section 18.2](#) are being strengthened to require, rather than recommend, a minimum of two hours fire protection. If a Document Custodian's regulator requires a higher standard of fire protection, that higher standard applies.

Document Custodians, approved prior to **October 28, 2009**, with a vault that does not provide a minimum of two hours fire protection must bring the vault into compliance with this minimum requirement by **November 1, 2010**.

[Section 18.2\(b\)](#) is being revised to reflect this change.

London Interbank Offered Rate Index

We are adding additional guidance for Seller/Servicers regarding London Interbank Offered Rate (LIBOR) indices published in *The Wall Street Journal* print edition and those indices published online.

With respect to LIBOR-Indexed adjustable-rate Mortgages, the Seller/Servicer must inform the Borrower that the LIBOR Index value used to calculate the new interest rate is the average of the London interbank offered rates for six-month or one-year US dollar denominated deposits, as applicable, as published in the print edition of *The Wall Street Journal*.

[Sections 30.7, 53.13 and 83.49; Exhibit 30](#); and the [Glossary](#) are being updated to reflect this change.

Uniform Instruments

[Exhibit 4, Single-Family Uniform Instruments](#), is being revised to incorporate updated revision dates for the Louisiana Mortgage, the Home Affordable Modification Program (HAMP) Modification Agreement and Trial Period Plan, and the Uniform Residential Loan Application.

In [Exhibit 5, Authorized Changes to Notes, Riders, Security Instruments and the Uniform Residential Loan Application](#), we are updating authorized changes for the HAMP Trial Period Plan and Modification Agreement, which were previously announced. These changes were posted on our Uniform Instrument web site on FreddieMac.com at <http://www.freddiemac.com/uniform>.

As a reminder, the Home Affordable Modification Trial Period Plan (Form 3156, 3/09 (rev. 8/09)) may not be used by Servicers on or after **March 1, 2010**. [Exhibits 4 and 5](#) will be updated with a future Bulletin to reflect this and other recently announced changes to HAMP documentation.

SERVICING REQUIREMENTS

Approved attorney fees and title expenses

[Exhibit 57A, *Approved Attorney Fees and Title Expenses*](#), is being updated to incorporate revised allowable amounts for the attorney's fee for evictions in many States. We are also adding a reminder via footnote that the Form 104 reimbursement process does not apply to eviction expenses since the eviction process is managed by Freddie Mac's Real Estate Owned department, which retains and pays attorneys handling evictions directly.

We are also revising [Exhibit 57A](#) to increase the allowable amount for title expenses in New Mexico from \$200 to \$400, which reflects the current market rate.

Broker's Price Opinions

[Section 65.40](#) is being updated to reflect revised costs for certain BPO requests. The cost of the BPO still varies depending upon the reason it is ordered.

As previously communicated in [Bulletin 2008-3](#), all BPOs must be requested from our web site <http://www.bpodirect.net>. Previously, Servicers used [Form 1127, *BPO Request Form*](#), to request a BPO through fax or e-mail; since Servicers must now request BPOs from our web site, we are deleting this form from the Guide.

Performing Loans contact information

Freddie Mac's Performing Loans department has moved and [Directory 3](#) has been updated with its new contact information.

CONCLUSION

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

Sincerely,



Patricia J. McClung
Vice President
Offerings Management