

Bulletin

NUMBER: 2010-4

TO: Freddie Mac Sellers and Servicers

February 11, 2010

SUBJECTS

With this *Single-Family Seller/Servicer Guide* (“Guide”) Bulletin, we are making the following changes to our **selling requirements**:

- Amending the Guide to require Sellers to take out separate fixed-rate Cash contracts for Freddie Mac Relief Refinance MortgagesSM that are sold through the Freddie Mac Selling System (“Selling System”) and have specified higher loan-to-value (LTV) ratios, and to select the appropriate LTV range on the Take Out a Cash Contract screen
- Correcting the deadline for submission of Guide Form 996E, *Warehouse Lender Release of Security Interest*

Form 16SF guidance

We are also providing additional guidance to Seller/Servicers on Form 16SF, *Annual Eligibility Certification Report*, regarding the term “Warehouse Lender.”

Effective dates

All of these changes are effective immediately except for the following:

- **February 22, 2010** – Sellers must take out separate fixed-rate Cash contracts for Relief Refinance Mortgages with LTV ratios higher than 105% and must select the appropriate LTV ratio range on the Selling System Take Out a Cash Contract screen for fixed-rate Cash contracts taken out on or after this date

Revisions to the Guide

The revisions included in this Bulletin impact Guide Chapters 19, A24 and B24.

RELIEF REFINANCE MORTGAGES WITH HIGHER LTV RATIOS SOLD UNDER FIXED-RATE CASH CONTRACTS

As announced in Guide Bulletin 2009-21, Freddie Mac currently requires that Sellers identify fixed-rate Cash contracts for Relief Refinance Mortgages with LTV ratios greater than 105% by entering “Over105” in the Contract Name field on the Take Out a Cash Contract screen in the Selling System.

We have been updating our systems to more efficiently support our Cash offering for Relief Refinance Mortgages. As a result, effective for fixed-rate Cash contracts taken out on or after **February 22, 2010**, Sellers must take out separate fixed-rate Cash contracts for Relief Refinance Mortgages with LTV ratios greater than 105% and less than or equal to 115%, and Relief Refinance Mortgages with LTV ratios greater than 115% and less than or equal to 125%. Further, Sellers must identify fixed-rate Cash contracts for Relief Refinance Mortgages with LTV ratios greater than 105% by selecting the appropriate LTV ratio range for the contract on the Take Out a Cash Contract screen in the Selling System.

Sellers will be required to select the applicable LTV range:

- Less than or equal to 115% by selecting “>105% - <=115%”
- Greater than 115% and less than or equal to 125% by selecting “>115%”

Guide Sections A24.4 and B24.4 are being revised to reflect these changes.

FORM 996E

We are correcting the submission deadline for Form 996E, *Warehouse Lender Release of Security Interest*, for Sellers selling Mortgages for Cash through the Selling System that are pledged to a Warehouse Lender.

Effective immediately, for Cash transactions through the Selling System, Form 996E must be received by Freddie Mac by 5:30 p.m. Eastern Time the day before the Settlement Date, but no later than 12:30 p.m. Eastern Time the day before the Purchase Contract Expiration Date.

Section 19.4 is being revised to reflect this correction.

FORM 16SF

Seller/Servicers are advised that, for purposes of item #14 on Form 16SF (which is due to Freddie Mac within 90 days after the end of the fiscal year), the term "Warehouse Lender" includes not only traditional warehouse lenders, but any entity that finances, or advances funds by purchasing (including purchasing any beneficial interest in), a Mortgage intended for sale to Freddie Mac.

For example, information regarding the applicable purchasing or lending institution or entity must be disclosed on Form 16SF if the Seller/Servicer is planning to obtain interim financing through a sale/repurchase or other arrangement in which:

- Any legal or beneficial title to or interest in a Mortgage (which Mortgage is intended ultimately to be sold or conveyed to Freddie Mac) is transferred, in whole or in part, to a third party, or
- A third party is granted a security interest or other interest in any such Mortgage

Form 16SF must be submitted electronically and is available on FreddieMac.com at <http://www.freddiemac.com/singlefamily/doingbusiness/acctmaintain.html>.

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