

Bulletin

NUMBER: 2010-9

TO: Freddie Mac Sellers and Servicers

April 8, 2010

SUBJECTS

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

Selling and Servicing requirements

We are introducing new eligibility and approval requirements for the Servicing Released Sales Process.

Selling requirements

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

- Announcing maximum loan-to-value (LTV)/total LTV(TLTV) ratios for Rural Housing Service (RHS) Section 502 GRH Mortgages
- Updating Guide Exhibit 10, *Freddie Mac-Approved Mortgage Insurers*, to include Essent Guaranty, Inc. as a new approved mortgage insurer, and updating addresses and name changes for other mortgage insurers
- Updating the chart in Guide Section H33.3, *General Eligibility Requirements*, that provides the mortgage insurance requirements for Mortgages secured by Manufactured Homes to delete an obsolete reference

Servicing requirements

As announced in a Single-Family Advisory e-mail to Servicers on **March 24, 2010**, we are requiring Servicers to support our second attempt to notify Borrowers that their Mortgage has been sold, assigned or transferred to Freddie Mac by providing valid mailing addresses for Section 404 Borrower notification letters.

SELLING AND SERVICING REQUIREMENTS

Servicing Released Sales Process

Effective date: May 1, 2010

In an effort to strengthen our servicing-released cash execution and maintain this offering as a competitive sale option for Freddie Mac Sellers, we are introducing new eligibility and approval requirements.

Sellers who currently have access to the Servicing Released Sales Process through the Freddie Mac Selling System (“Selling System”), and no longer meet the program eligibility requirements, will be notified in writing that their access to this part of the Selling System is being restricted and they will not be able to take out new Cash Servicing Released commitments after **April 30, 2010**.

A Seller whose access has been removed effective **May 1, 2010**, and Sellers who do not currently have access to the Servicing Released Sales Process through the Selling System may now contact their Freddie Mac representative or call (800) FREDDIE to inquire about the approval process.

Freddie Mac reserves the right, immediately upon notice, to:

- Limit the aggregate unpaid principal balance of all Mortgages that a Seller may sell to us under the offering
- Impose any additional requirements Freddie Mac deems necessary
- Suspend or terminate a Seller's ability to sell Mortgages under the offering

Guide Chapter 9, *Fixed Rate Cash through the Selling System*, is being revised to reflect these changes.

SELLING REQUIREMENTS

Announcing maximum LTV/TLTV ratio requirement for Section 502 GRH Mortgages

Effective for Mortgages with application dates on or after June 13, 2010, and for Mortgages with Settlement Dates on or after September 1, 2010

The LTV/TLTV ratios for RHS Section 502 GRH Mortgages must comply with the Guaranteed Regulations for LTV/TLTV ratios, and the LTV/TLTV ratio cannot exceed 115%, as calculated under the requirements of Section 23.2, *Calculating LTV, TLTV and HTLTV Ratios*.

Section 35.2, *Rural Housing Service (RHS) Section 502 Guaranteed Rural Housing Mortgages*, is being revised to reflect this change.

Exhibit 10

Effective immediately

Exhibit 10 has been updated to include Essent Guaranty, Inc., as a recently approved Freddie Mac mortgage insurer.

We have also updated Exhibit 10 to change the names of the following mortgage insurers:

- Verex Assurance, Inc. was changed to Genworth Residential Mortgage Assurance Corporation
- Home Guaranty Insurance Corporation was changed to Genworth Home Equity Insurance Corporation of North Carolina

Manufactured Home LTV ratios for second homes

Effective immediately

We are deleting an obsolete reference to a mortgage insurance requirement for second home Manufactured Home Mortgages with LTV ratios greater than 85% because those Mortgages are not eligible for purchase.

Section H33.3 is being revised to reflect this deletion.

SERVICING REQUIREMENTS

Effective immediately

As announced in our Single-Family Advisory email dated **March 24, 2010**, Freddie Mac has successfully reached the vast majority of Borrowers with notice that their Mortgage has been sold, assigned or transferred to Freddie Mac. This notice is required by Section 404 of the Helping Families Save Their Homes Act of 2009.

However, a small number of Borrower notification letters have been returned to us as “undeliverable.” Pursuant to Guide Section 51.2, *Servicer Agreement*, which requires Servicers to follow instructions provided by Freddie Mac, we are reminding Freddie Mac Servicers that, for Mortgages they service, they must provide valid Borrower mailing addresses in cases where notification letters have been returned to Freddie Mac as undeliverable.

Reminder of requirements in March 24, 2010 Single-Family Advisory

By the 5th Business Day of each month, beginning in April 2010, we will send the point of contact in the Servicer’s organization identified for this process an e-mail from the Freddie Mac Section 404 mailbox. The e-mail will include:

- A password-protected Excel file listing the Seller loan number, Freddie Mac loan number, and property address for each returned Borrower notification letter corresponding to each Mortgage that the Servicer services
- Detailed instructions for collecting and returning valid Borrower mailing addresses to Freddie Mac

Within 48 hours of receipt of the e-mail, Servicers must:

- Update our file with corresponding mailing addresses for all listed property addresses
- E-mail the updated file to Freddie Mac at FreddieMac_Section404@FreddieMac.com

If there are no returned Borrower letters for a particular month, Servicers will not receive a file for that month. Servicers servicing Mortgages for which Borrower letters were returned should have already received an e-mail for April 2010 and complied with the requirements above.

REVISIONS TO THE GUIDE

The revisions included in this Bulletin impact the following:

- Chapters 9, H33, and 35
- Exhibit 10

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