

Bulletin

NUMBER: 2013-2

TO: Freddie Mac Sellers

January 31, 2013

SUBJECTS

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

- Revising the Delivery Date requirement for Freddie Mac Relief Refinance MortgagesSM – Same Servicer and Relief Refinance Mortgages – Open Access
- Providing guidance with respect to lender contributions for Relief Refinance Mortgages
- Reminding Sellers that we have published the Phase II Uniform Loan Delivery Dataset (ULDD) specification and announcing the transition period for the Phase II ULDD specification requirements
- Removing references in the Guide to one-year ARMs purchased under Weighted Average Coupon (WAC) ARM Cash

RELIEF REFINANCE MORTGAGES

Delivery Date requirement

Effective immediately, we are removing the requirement that Relief Refinance Mortgages – Same Servicer and Relief Refinance Mortgages – Open Access must be delivered to Freddie Mac no more than 120 days after the Note Date.

As required for all Mortgages delivered to Freddie Mac, Relief Refinance Mortgages must have Settlement Dates no more than 12 months after the Note Dates. Also, Sellers are not required to obtain a new appraisal if the Settlement Date of the Relief Refinance Mortgage is more than 120 days after the Note Date.

Sellers are reminded that all Relief Refinance Mortgages must have Settlement Dates on or before September 30, 2014.

Lender contributions

Effective for Mortgages with Application Received Dates on or after April 30, 2013, we are providing the following guidance for the use of lender contributions on Relief Refinance Mortgages – Same Servicer and Relief Refinance Mortgages – Open Access:

- A lender may provide the Borrower with a cash or a cash-like contribution that is not reflected on the HUD-1 form or an equivalent settlement statement, provided it does not exceed \$500 and repayment is not required. The contribution is not considered cash out to the Borrower and does not have to be included in the calculation of Mortgage proceeds.
- A lender may provide a contribution towards the payoff of the Mortgage being refinanced, provided it does not to exceed \$2,000 and repayment is not required. This contribution must be reflected on the HUD-1 form or an equivalent settlement statement. The contribution is not considered cash out to the Borrower, provided it does not result in cash disbursed to the Borrower exceeding \$250.

As required under the Guide for all Mortgages sold to Freddie Mac, the Seller must comply with the requirements of all applicable laws in structuring and providing these contributions.

These requirements are effective for Mortgages with Application Received Dates on or after April 30, 2013, but Sellers are encouraged to implement them as soon as possible.

Sellers should review Guide Chapters A24, *Freddie Mac Relief Refinance MortgagesSM – Same Servicer*, B24, *Freddie Mac Relief Refinance MortgagesSM – Open Access*, and C24, *Freddie Mac Relief Refinance MortgagesSM – Same Servicer with LTV Ratios Less than or Equal to 80%*, to ensure they have an understanding of the revised Delivery Date and lender contribution requirements summarized above.

PHASE II ULDD SPECIFICATION

Publication of the Phase II ULDD specification

We are reminding Sellers that, as announced in our Single-Family Update e-mail on December 13, 2012, we have published the Phase II specification for the ULDD. The ULDD is a component of the Uniform Mortgage Data Program[®] (UMDP[®]), an ongoing effort by Freddie Mac and Fannie Mae (the “Government Sponsored Enterprises” (GSEs)) undertaken at the direction of the Federal Housing Finance Agency (FHFA). The Phase II ULDD specification defines and documents the common approach of the GSEs for inclusion of the Phase II ULDD data in the loan delivery file. The December 13, 2012 Phase II ULDD announcement can be found under the “Announcements” tab in the ULDD area of our web site at http://www.freddiemac.com/sell/secmktg/uniform_delivery.html.

While Freddie Mac and Fannie Mae jointly developed the Phase II ULDD specification, each GSE will continue to exercise independent business judgment in evaluating, adopting and maintaining business terms, credit policies and analytics.

As previously announced on December 13, 2012, Sellers must meet the following Phase II ULDD requirements:

- **March 1, 2014** – Sellers must begin collecting the Phase II ULDD data points for all Mortgages with Application Received Dates on or after March 1, 2014
- **August 25, 2014** – Sellers must begin delivering the Phase II ULDD data points for all Mortgages with Application Received Dates on or after March 1, 2014

Transition period

To help Sellers meet the Phase II ULDD requirements, both GSEs will support a transition period beginning on **May 17, 2014** (when the Freddie Mac Selling System (“Selling System”) will be updated with the Phase II ULDD fields and layout) and ending on **August 25, 2014**.

During the transition period:

- Sellers that manually enter or modify loan data in the Selling System are encouraged to begin entering the Phase II ULDD data; however, they are not required to do so until August 25, 2014. If Sellers do deliver the data prior to August 25, 2014, the data must conform with all Phase II ULDD data requirements.
- Sellers that import data into the Selling System are encouraged to begin including the Phase II ULDD data requirements in the MISMO[®] XML loan delivery file; however, they are not required to do so until August 25, 2014. If Sellers do deliver the data prior to August 25, 2014, the data must conform with all Phase II ULDD data requirements.

Guide Section 17.3, *Organization of Delivery Instructions for ULDD Data Points*, has been updated to reflect the dates announced for meeting the Phase II ULDD requirements. Prior to May 17, 2014, we will update the Guide to reflect the requirements for delivering loan data in accordance with the Phase II ULDD specification.

Sellers are encouraged to analyze the Phase II ULDD specification early in order to identify process and system changes needed to accurately capture and deliver the data required for Mortgage purchase. It is important for Sellers to plan for both their technical and process implementations early, and to analyze their process changes well in advance of finalizing their technical implementations.

Additional information and resources

Visit the ULDD area on our web site at

http://www.freddiemac.com/sell/secmktg/uniform_delivery.html for more information about and updates to the Phase II ULDD specification and for the following resources:

- *Appendix A – Freddie Mac XML Data Requirements V.3.0*: Incorporates the Phase II changes, effective for Mortgages delivered to Freddie Mac on or after **August 25, 2014** with Application Received Dates on or after **March 1, 2014**
- *Appendix D – Freddie Mac XML Data Requirements Reference Tool V.3.0*: An Excel version of Appendix A that may be used to easily sort and organize the data points
- *Appendix E – MISMO V.3.0: Reference Model with GSE Extensions*: Specifies the use of two extension containers for two data points not supported in V.3.0 of the MISMO Reference Model. These two data points are not required for delivery to Freddie Mac.

ONE-YEAR ARMs PURCHASED UNDER WAC ARM CASH

As communicated in our November 19, 2012 Single-Family News Center article, effective on **December 1, 2012**, we have suspended the purchase of one-year ARMs purchased under WAC ARM Cash. With this Bulletin, we are removing references to one-year ARMs purchased under WAC ARM Cash from the Guide.

Chapter 30, *Special Eligibility Requirements for ARMs*, and Guide Exhibit 17S, *Available Mortgage Products*, have been updated to reflect this change.

REVISIONS TO THE GUIDE

The revisions included in this Bulletin impact the following:

- Chapters 17, A24, B24, C24 and 30
- Exhibit 17S
- Forms 988SF and 989SF

CONCLUSION

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

Sincerely,



Laurie A. Redmond
Vice President
Offerings Effectiveness