

Bulletin

NUMBER: 2013-9

TO: Freddie Mac Servicers

May 28, 2013

SUBJECT: EXTENSION OF MANDATORY ADOPTION DATE FOR CERTAIN SERVICER LAW FIRM SELECTION AND RETENTION REQUIREMENTS

With this *Single-Family Seller/Servicer Guide* (“Guide”) Bulletin, we are announcing an extension to **August 1, 2013** for the mandatory adoption date of several requirements introduced with Bulletin 2012-25 related to law firms retained by Servicers to handle Freddie Mac Default Legal Matters. This extension will provide Servicers with more time to comply with these requirements.

SERVICER SELECTION, RETENTION AND MANAGEMENT OF LAW FIRMS FOR FREDDIE MAC DEFAULT LEGAL MATTERS

With Bulletin 2012-25, we announced new requirements for a Servicer’s selection and engagement of law firms for Freddie Mac Default Legal Matters and introduced new Guide Chapter 69, *Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters*, effective June 1, 2013.

With this Bulletin we are announcing an extension for mandatory adoption of the requirements in Guide Sections 69.1, *Overview*, through 69.9, *Servicer Use of Connectivity and Invoice Processing System*, as well as Section 69.15, *Reservation of Rights and Remedies for Non-Compliance*, until **August 1, 2013**. These sections relate to selection and retention of firms, firm minimum requirements, training and contracting, referral of default-related legal matters, prohibitions, and Servicer use of connectivity and invoice processing systems.

The extension for the mandatory adoption of the requirements referenced above does not include an extension of the designated counsel program beyond May 31, 2013.

Servicers that have already selected counsel that are eligible to receive referrals under the requirements of Section 69.7, *Referral of Freddie Mac Default Legal Matters to Firm*, may send referrals of Freddie Mac Default Legal Matters to those firms beginning June 1, 2013. For such referrals, Servicers should follow the requirements set forth in Chapter 69, including managing and monitoring firm performance and compliance with the Guide and the limited retention agreement.

During the period from June 1, 2013 through July 31, 2013, Servicers may also refer Freddie Mac Default Legal Matters to law firms pursuant to the new requirements of Chapter A69, now retitled *Retention of Counsel for Freddie Mac Default Legal Matters Referred Prior to August 1, 2013*.

Additionally, we have revised the requirements in Chapter A69 to reflect that, as announced in Bulletin 2012-25, effective June 1, 2013, we no longer allow referrals directly to a trustee.

The mandatory adoption date of **June 1, 2013** will remain in effect for the requirements in Sections 69.10, *Reporting*, through 69.14, *Implementing the Termination and Suspension of Firms*, on all referrals on or after June 1, 2013. These sections deal with Servicer monitoring and management, escalations and reporting, and firm termination and suspension. In the event that the referral was made under the requirements of Chapter A69, Sections 69.10 through 69.14 remain mandatory except with respect to requirements for compliance with Sections 69.1 through 69.9, Section 69.15 and a limited retention agreement.

SUBMISSION OF SERVICER SELECTION FORMS

Servicers must submit Servicer Selection Forms through the Servicer Attorney Tracking System (SATS) no later than **June 15, 2013** in order for all other requirements for law firm eligibility to be met by August 1, 2013.

REMINDERS TO SERVICERS

Referring loans to foreclosure counsel

The extension of the mandatory adoption date for the new requirements related to law firm selection and retention does not impact a Servicer's obligation to initiate foreclosure as required by the Guide. Servicers are reminded that the requirements in Section 66.9.1, *When to Initiate Foreclosure on a First-Lien or a Second Mortgage/Home Improvement Loan (HIL)*, remain in effect.

Foreclosure sale bidding requirements

The foreclosure sale bidding requirements announced in Bulletin 2013-6 remain in effect for all foreclosure sales occurring on or after June 1, 2013.

Attorney fee reimbursement limits

Servicers are reminded that the attorney fee reimbursement limits announced in Bulletin 2013-6 remain in effect for all reimbursement claims submitted on or after June 1, 2013.

Servicer training

As a reminder, training for Servicers is available on selection, retention and management of law firms for Freddie Mac Default Legal Matters. Please visit the Learning Center and register for *Servicer Selection and Management of Law Firms* training at http://www.freddie.com/ontrack/html/LearningCenter/ClassDescription.jsp?crsNum=SAI_SSMLF.

REVISIONS TO THE GUIDE

The revisions included in this Bulletin impact Chapters 53, 54, 66, 67, 69 and A69.

CONCLUSION

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

Sincerely,



Tracy Hagen Mooney
Senior Vice President
Single-Family Servicing and REO