



TO: Freddie Mac Sellers and Servicers

December 15, 2014 | 2014-24

SUBJECT: SELLING AND SERVICING UPDATES

This *Single-Family Seller/Servicer Guide* (“Guide”) Bulletin announces:

Selling and Servicing topics

- Freddie Mac Loan Coverage AdvisorSM, a flexible web-based application that calculates, tracks and publishes the representation and warranty relief date for Mortgages sold to Freddie Mac
- Clarifications concerning receipt and treatment of confidential information
- Organizational changes to Guide forms, exhibits and the Glossary

Selling topics

- Updates to the Guide to reflect the 2015 loan limits, as announced in our Single-Family Update e-mail on November 24, 2014
- Updates to certain ULDD Data Points, as reflected in the Uniform Loan Delivery Dataset (ULDD) specification addendum published today

In addition to the changes listed above, we are making further updates and revisions, as described in the “Additional Guide Updates” section of this Bulletin.

EFFECTIVE DATE

All of the changes announced in this Bulletin are effective immediately unless otherwise noted.

SELLING AND SERVICING TOPICS

Freddie Mac Loan Coverage Advisor

We are announcing the launch of Freddie Mac Loan Coverage Advisor (LCVA), a flexible, web-based application that supports our selling representation and warranty framework. LCVA calculates, tracks and publishes the date on which the Seller and/or Servicer is relieved of certain selling representations and warranties related to underwriting the Borrower, Mortgaged Premises and project in which the Mortgaged Premises is located (“relief date”) for Mortgages sold to Freddie Mac. LCVA also provides Seller/Servicers with information about Servicing obligations, such as credit enhancements.

LCVA will give Seller/Servicers greater certainty and more transparency when doing business with Freddie Mac by enabling them to:

- Track their representation and warranty obligations, which could affect Mortgage reserve calculations
- View, query, export and produce reports on representation and warranty history and Mortgage events
- See how Servicing activity and Delinquencies impact the relief dates
- Create reports on Mortgages that have attained representation and warranty relief
- Track representations and warranties associated with Transfers of Servicing, credit enhancements, MI data and other Mortgage events

LCVA will be available beginning on **January 12, 2015**.

Seller/Servicer access to LCVA can be requested by completing and submitting new Guide Form 906, *Freddie Mac Loan Coverage AdvisorSM Authorized User Role Form*.

Seller/Servicers should complete and submit Form 906 as soon as possible to begin using LCVA when it becomes available on January 12, 2015. The reports providing written notification of Mortgages meeting the criteria for representation and warranty relief (as announced in Bulletin 2014-8) will be discontinued in early 2015 as a result of the availability of LCVA.

With the availability of LCVA, we are adding Guide Sections 2.27 and 51.28, each titled *Freddie Mac Loan Coverage AdvisorSM*, and Guide Exhibit 39, *Freddie Mac Loan Coverage AdvisorSM User Agreement*. The exhibit outlines the Seller/Service's responsibilities while using LCVA and supersedes any other LCVA terms of use document signed by the Seller/Service. Each Seller/Service using LCVA, by virtue of such use, will be deemed to have agreed to the terms and conditions set forth in Exhibit 39.

Exhibit 88, *Servicing Tools*, has also been updated to include reference to LCVA.

Training and resources

To learn more about LCVA, Seller/Service's can register for the [Loan Coverage Advisor webinar](#). Seller/Service's can also access the [Loan Coverage Advisor User Guide](#) along with other tools, resources and training events from the [Freddie Mac Learning Center](#) and [Loan Coverage Advisor web page](#).

Receipt and treatment of confidential information

We are amending Sections 2.16 and 53.14, each titled *Receipt and Treatment of Confidential Information*, to clarify that MIs and other vendors are service providers with which confidential information may be shared, subject to certain conditions.

Additionally, we have added language requiring Seller/Service's' counsel to determine whether sharing the confidential information is necessary for fulfilling the Seller/Service's Servicing or other obligations to Freddie Mac.

Organizational changes to Guide forms, exhibits and the Glossary

By early January 2015, Guide forms and exhibits will no longer be contained within each volume of the Guide. Instead, the Guide on AllRegs® will contain one comprehensive "Forms" folder and one comprehensive "Exhibits" folder.

Also by early January 2015, the Glossary will be broken up into three sections: A – I; J – Q; and R – Z.

These changes should help Seller/Service's utilize and navigate through these materials.

Sections 1.4 and 50.3, each titled *Organization of the Single-Family Seller/Service's Guide*, have been updated to reflect the organizational changes to the Guide forms and exhibits.

SELLING TOPICS

2015 loan limits

Effective for Mortgages with Freddie Mac Funding or Settlement Dates on or after January 1, 2015

As announced in our Single-Family Update e-mail dated November 24, 2014, base conforming loan limits and high-cost area loan limits will remain at the existing 2014 levels with the exception of 46 counties where the high-cost area loan limits will increase. The list of counties with increases is available on the Federal Housing Finance Agency's (FHFA) web page at http://www.fhfa.gov/DataTools/Downloads/Documents/Conforming-Loan-Limits/Counties_with_increases_cy2015.pdf. Super conforming Mortgages intended for sale to Freddie Mac are subject to the loan limits set by FHFA for designated high-cost areas.

For Mortgages with Freddie Mac Funding or Settlement Dates on or after January 1, 2015, the base conforming loan limits (\$417,000 for 1-unit properties in the contiguous United States) and the maximum loan limits for high-cost areas will remain at the current levels.

As a reminder, the Housing and Economic Recovery Act of 2008 (HERA) provides the formula for FHFA to determine the loan limits for high-cost areas. The HERA terms specify that the maximum allowable limit for high cost areas must not exceed \$625,500 for a 1-unit single-family property in the contiguous United States, although actual loan limits for a specific high-cost area may be lower than the maximum permitted amount.

In all instances, the loan limits for 2- to 4-unit properties and Mortgages secured by properties in Alaska, Hawaii, Guam and the U.S. Virgin Islands are higher.

Sellers must review the 2015 high-cost loan limits permitted for a specific county, which FHFA makes available on its web site at http://www.fhfa.gov/DataTools/Downloads/Documents/Conforming-Loan-Limits/FullCountyLoanLimitList2015_HERA-BASED_FINAL.pdf.

We have updated Section 23.3, *Maximum Original Loan Amounts for Home Mortgage Purchases*, to reflect the 2015 base conforming loan limits and Section L33.2, *Maximum Original Loan Amounts for Super Conforming Mortgages*, to reflect the high-cost area loan limits for super conforming Mortgages with Freddie Mac Funding or Settlement Dates on or after January 1, 2015 and on or before December 31, 2015.

Uniform Loan Delivery Dataset (ULDD) updates

Today Freddie Mac published the fourth quarter 2014 ULDD Addendum included in *Appendix A, Freddie Mac XML Data Requirements V3.5.0*, ("Appendix A") as "Tab 9Q4-ULDDS Addendum Issued 12-15-14" ("ULDD Addendum").

In addition to other updates the ULDD Addendum includes the new valid value of "Home Possible Advantage" for ULDD Data Point *Loan Program Identifier* (Sort ID 404), effective **March 23, 2015**, for all Freddie Mac Home Possible AdvantageSM Mortgages, as announced in Bulletin 2014-22.

Sellers should review the ULDD Addendum in its entirety to determine impacts to their systems or processes and for applicable effective dates.

We are also updating Section 17.11, *Property Data Required for All Mortgages*, effective **May 5, 2015**, to reflect clarifications from the ULDD Addendum, including the delivery instructions provided in Bulletin 2014-18 for ULDD Data Point *Appraiser License Identifier* (Sort ID 525). We have separated the instructions for delivery of the appraiser supervisor's identifier, and provided such instruction in ULDD Data Point *Appraiser License Identifier* (Sort ID 534, for Party Role Type "Appraiser Supervisor").

The delivery instructions for ULDD Data Point *Appraiser License Identifier* (Sort IDs 525 and 534) are consistent with those provided in the Uniform Appraisal Dataset (UAD) *Appendix D, Field-Specific Standardization Requirements*.

Additionally, we have updated version references to Appendix A and the ULDD Addendum in Section 17.3, *Organization of Delivery Instructions for ULDD Data Points*.

ADDITIONAL GUIDE UPDATES

Glossary definition for "First-Time Homebuyer"

We are updating the Glossary definition for "First-Time Homebuyer" to align with the delivery instructions for the ULDD Data Point *Borrower First Time Homebuyer Indicator* (Sort ID 597) when there is a Living Trust Borrower. The delivery instructions for this ULDD Data Point were revised with Bulletin 2014-2 to add a reference to "Underwritten Settlor."

We have also updated Exhibit 1, *Instructions for Completing the Borrower First Time Homebuyer Indicator*, to reflect the updated definition.

Subsequent Transfers of Servicing

Effective May 15, 2014

We are updating Section 4.13, *Seller/Servicer Changes that Result in Transfer of Servicing*, to reflect a change announced in Bulletin 2014-9. We extended the submission time frame from 30 days to 45 days for subsequent Transfer of Servicing requests and submission of the fully executed Form 981, *Agreement for Subsequent Transfer of Servicing of Single-Family Mortgages*. The additional 15 days are needed to provide Servicers with enough time, following Freddie Mac's approval, to notify Borrowers of the Transfer of Servicing, in accordance with Section 56.11, *Notice to Borrowers*, and applicable laws and regulations, including but not limited to the Real Estate Settlement Procedures Act (RESPA).

Form 1107SF, *Seller/Servicer Change Notification Form*, will be updated in the future to reflect this change.

Loan Prospector® clarification

We are amending Section 2.2.1, *Introduction to Loan Prospector®*, to clarify that Loan Prospector indicates whether a Mortgage will be eligible for purchase by Freddie Mac provided all other conditions are met.

Organization or status reporting

We are making minor updates to Section 4.11, *Changes in Seller/Service's Organization or Status Reporting*, to improve the readability of the section.

The Bank of New York Mellon Trust Company, N.A. address change

We are updating Directory 4 to reflect the new address for The Bank of New York Mellon Trust Company, N.A.

REVISIONS TO THE GUIDE

The revisions included in this Bulletin impact the following:

- Chapters 1, 2, 4, 17, 23, L33, 50, 51 and 53
- Form 906
- Exhibits 1, 39 and 88
- Glossary
- Directory 4

For a detailed list of the Guide updates associated with this Bulletin and the topics with which they correspond, refer to the Bulletin 2014-24 (Selling and Servicing) Guide Updates Spreadsheet available at http://www.freddiemac.com/singlefamily/guide/docs/bll1424_spreadsheet.xls.

CONCLUSION

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

Sincerely,



Laurie Redmond
Vice President
Offerings Effectiveness