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**TO: Freddie Mac Sellers**

April 13, 2016 | 2016-6

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## **SUBJECT: SELLING UPDATES**

This Guide Bulletin announces:

### **Condominium Project and Planned Unit Development (PUD) insurance – August 1, 2016**

- Elimination of certain insurance coverage requirements for [Condominium Projects](#) that are reviewed under the streamlined project review type, PUDs and fee simple landowners/lessors of ground lease communities
- Specificity about other insurance coverage requirements for [Condominium Projects and PUDs](#)

### **Reporting of quality control, fraud, suspected fraud or other Suspicious Activity findings**

- Revisions to the reporting processes for [quality control, fraud, suspected fraud or other Suspicious Activity findings](#)

### **Additional Guide updates**

- 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.

## **CONDOMINIUM PROJECT AND PUD INSURANCE**

### **Effective August 1, 2016, but Sellers are encouraged to implement immediately**

In Bulletin 2016-3, we updated Condominium Project and PUD insurance requirements, effective August 1, 2016. After further evaluation of our requirements, and in response to feedback from our Seller/Serviceicers, we have further revised the requirements effective August 1, 2016, to no longer require liability insurance for PUDs and fee simple landowners/lessors of ground lease communities.

We are also no longer requiring Seller/Serviceicers to determine the existence or adequacy of:

- Fidelity or employee dishonesty insurance coverage for Condominium Projects that are reviewed under the streamlined project review type
- Liability insurance for Condominium Projects that are reviewed under the streamlined project review type

Additionally, we updated Guide Section 8202.2 to specify that a master or blanket insurance policy covering multiple affiliated projects is acceptable.

To assist Sellers in determining applicable condominium insurance requirements, we are including requirements in revised Section 8202.2(c), instead of referring Sellers to the PUD requirements in Section 8202.2(b).

Guide impacts: Sections 8202.2, 8202.5 and 8202.6

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## REPORTING OF QUALITY CONTROL, FRAUD, SUSPECTED FRAUD OR OTHER SUSPICIOUS ACTIVITY FINDINGS

We are streamlining the reporting processes for quality control, fraud, suspected fraud or other Suspicious Activity findings by:

- Eliminating redundant reporting requirements and clarifying the types of findings that must be reported and to whom those findings are reported
- Consolidating reporting of all origination-based fraud or suspected fraud to Freddie Mac's Quality Control department
- Changing the time frame for reporting quality control findings from 30 to 60 days

Additionally, we are deleting Directory 2 and requiring Seller/Service providers to submit quality control findings via the following e-mail addresses:

- For postclosing quality control findings that must be reported to Freddie Mac Quality Control, Seller/Service providers must e-mail [Seller\\_Service\\_Provider\\_QC\\_Reporting@freddiemac.com](mailto:Seller_Service_Provider_QC_Reporting@freddiemac.com)
- For postclosing quality control findings that must be reported to Freddie Mac Compliance, Seller/Service providers must e-mail [Corporate\\_Compliance@freddiemac.com](mailto:Corporate_Compliance@freddiemac.com)

Guide impacts: Sections 3201.2, 3402.6 and 3402.10 and the Directory

## ADDITIONAL GUIDE UPDATES

### REO Glossary definition

We are updating the Glossary definition of REO to move the statement regarding what REO includes for purposes of calculating fidelity and mortgagee's errors and omissions insurance coverage into Sections 2101.7 and 2101.8 for ease of Seller/Service provider reference.

Guide impacts: Sections 2101.7 and 2101.8 and the Glossary

### Uniform Loan Delivery Dataset (ULDD)

We are updating the Note for ULDD Data Point *Per Change Rate Adjustment Effective Date* (Sort ID 123) to refer to the correct Glossary term.

Guide impact: Section 6302.7

### Exhibits 4 and 5

#### Effective August 1, 2016

We are updating Guide Exhibits 4 and 5 to reflect updated Pennsylvania State-specific Uniform Instruments announced in February 2016 on Freddie Mac's [Uniform Instruments web page](#). Sellers may begin using the updated Uniform Instruments as of the announcement date; however, their use will be required on August 1, 2016.

For more information, visit Freddie Mac's [Uniform Instrument News & Updates web page](#).

Guide impact: Exhibits 4 and 5

### Forms 16SF and 1107SF

We are updating cross-references in Guide Forms 16SF and 1107SF to reflect the new locations in the reorganized Guide. Additionally, Form 1107SF has been made fillable for Seller convenience.

Guide impact: Forms 16SF and 1107SF

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## NAVIGATING THE GUIDE ON ALLREGS® TRAINING

Sellers are encouraged to visit the Freddie Mac Learning Center to register for the new [“Navigating the Guide with AllRegs”](#) webinar.

## GUIDE UPDATES SPREADSHEET AND GUIDE POSITION SUMMARY

For a detailed list of the Guide updates associated with this Bulletin and the topics with which they correspond, refer to the Bulletin 2016-6 (Selling) Guide Updates Spreadsheet available at [http://www.freddiemac.com/singlefamily/guide/docs/bl1606\\_spreadsheet.xls](http://www.freddiemac.com/singlefamily/guide/docs/bl1606_spreadsheet.xls).

As a reminder, the [Guide Position Summary \(GPS\)](#) is available as a reference to show where the former Guide content is now located in the reorganized Guide.

## 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,



Christina K. Boyle  
Senior Vice President  
Single-Family Sales and Relationship Management