



TO: Freddie Mac Sellers and Servicers

August 22, 2016 | 2016-15

SUBJECT: FREDDIE MAC INVESTOR REPORTING CHANGE INITIATIVE

We are announcing the Freddie Mac Investor Reporting Change Initiative (“initiative”) to convert our single-family investor reporting requirements closer to an industry standard and update our remittance cycles. Through this initiative, we will streamline the reporting process, achieve operational efficiencies and provide Seller/Servicers a more complete view of investor reporting data. This initiative will also support and enhance the upcoming [Single Security](#) initiative.

IMPLEMENTATION DATE

To give Seller/Servicers sufficient time to assess system impacts and update their systems and business processes, the initiative will be implemented in the second half of 2018. Seller/Servicers will be notified when the implementation date is established and when they must take transitional actions to prepare for implementation.

REVISIONS TO THE GUIDE

The Guide will be updated in future Bulletins to include the initiative requirements.

OVERVIEW OF CHANGES

We are planning to make the following changes with the initiative:

- Our investor reporting cycle will change to align with an industry standard monthly calendar cycle, and we will also encourage and accept daily loan-level reporting
- Freddie Mac will draft monthly principal and interest and payoff remittances directly from the Servicer

The changes will apply to all Mortgages owned or guaranteed by Freddie Mac regardless of the reporting and remittance cycle currently in effect.

The chart below provides details of the key upcoming changes:

Activity	Current	Future
Overall		
Investor reporting cycle	16 th to the 15 th	1 st to the end of the month
Borrower activity period for investor reporting	16 th to the 15 th	1 st to the end of the month

Activity	Current	Future
Reporting		
Principal & Interest (P&I) reporting dates	5 Business Days after cutoff	Daily reporting is encouraged, but not required. The “P&I Determination Date” is the 15 th calendar day of the month (or next Business Day if the 15 th calendar day falls on a weekend or holiday). Servicers must submit loan-level reporting for each Mortgage on this date. Servicers should report any changes from the 16 th calendar day to the end of the month + 1 Business Day. (See Attachment A to this Bulletin, Future P&I Reporting Dates and Drafting Timeline.)
Corrections to previously reported activity	The end of the month – 4 Business Days	Daily through the end of the month + 1 Business Day
Remittance		
Payoff Remittance Due Date	5 th Business Day after the payoff date	No change
Remittance cycle and due date (P&I)	Multiple remittance types (Gold/ARC; 1 st Tuesday of the following month; other remittance schedules)	Single remittance type. Freddie Mac will directly draft from the Servicer two Business Days after the P&I Determination Date. The current cycle interest due is based upon the UPB reported at the end of the prior cycle. The principal drafted is the actual principal collected from the 16 th calendar day of the prior month through the 15 th calendar day of the current month (or next Business Day if the 15 th calendar day falls on a weekend or holiday). (See Attachment A to this Bulletin.)
Remittance method (P&I and payoff)	Funds are remitted via Global Payments Inc. (GPI)	Freddie Mac will directly draft from the Servicer on the due date

Activity	Current	Future
Other Activities		
DDLPI reporting	DDLPI is reported via EDR and investor reporting, with EDR being considered the source of record for determining Delinquency	DDLPI reported via investor reporting will be considered the source of record for determining Mortgage status and Delinquency

Refer to [Attachment A](#) to this Bulletin for examples that highlight the relationship between the P&I Determination Date and drafting date and an illustration of the future investor reporting and drafting timeline.

OPERATIONAL AND TECHNOLOGICAL UPDATES

As with any long-term initiative, numerous operational and technological updates and testing will be needed to accommodate these changes. We are committed to keeping Seller/Service providers informed as the initiative progresses and we will engage with Seller/Service providers throughout this initiative to help ensure a smooth transition. Seller/Service providers will be provided with the information needed to plan and execute required system and business process updates, with sufficient time to implement.

STAY INFORMED OF REQUIREMENTS

Seller/Service providers should visit the [Investor Reporting Change Initiative](#) web page periodically for initiative requirements, technical specifications, the latest news and frequently asked questions.

Beginning in the fall of 2016 and as the initiative progresses, we will post detailed requirements and technical specifications to the [Investor Reporting Change Initiative](#) web page as they become available. These requirements and specifications will constitute Purchase Documents. We will also update the Guide periodically to incorporate transitional and final requirements that will go into effect as we move toward implementation of the initiative in 2018.

Seller/Service providers should also subscribe to the [Single-Family Business Subscription Center](#) to receive additional initiative updates as they are published.

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,



Yvette W. Gilmore
Vice President
Servicer Performance Management



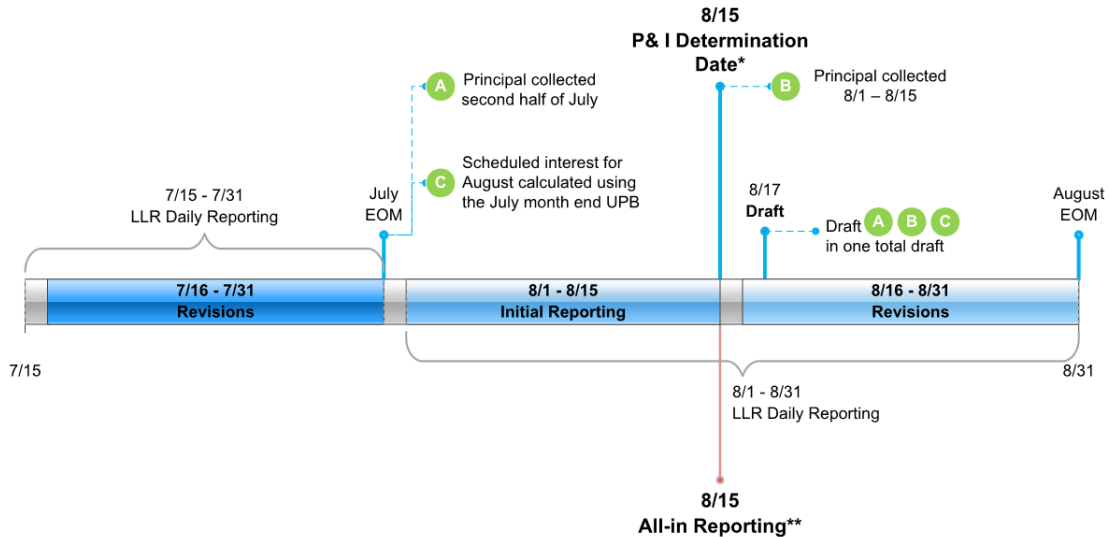
Attachment A to Bulletin 2016-15

Future P&I Reporting Dates and Drafting Timeline

(a) Relationship Between P&I Determination Date and Drafting Date

P&I Determination Date	Actual P&I Determination Date	Drafting Date
15th (Monday)	15th (Monday)	17th (Wednesday)
15th (Tuesday)	15th (Tuesday)	17th (Thursday)
15th (Wednesday)	15th (Wednesday)	17th (Friday)
15th (Thursday)	15th (Thursday)	19th (Monday)
15th (Friday)	15th (Friday)	19th (Tuesday)
15th (Saturday)	17th (Monday)	19th (Wednesday)
15th (Sunday)	16th (Monday)	18th (Wednesday)

(b) Loan Activity Reporting and Drafting Timeline for P&I



*P&I Determination Date: The date that Freddie Mac will calculate the draft of the actual principal that has been collected and successfully reported for the current cycle.

**All-in Reporting: On the 15th calendar day, each Servicer is required to submit a loan level record for each loan serviced in its portfolio.