



TO: Freddie Mac SellersMay 22, 2018 | 2018-8

SUBJECT: SELLING UPDATES

This Guide Bulletin announces:

Freddie Mac Enhanced Relief Refinance®

- Updates to our Enhanced Relief Refinance® Mortgage requirements, including:
 - A [Credit Fee in Price](#) cap structure – **January 1, 2019 (New)**
 - An increase to the [minimum loan-to-value \(LTV\) ratio](#) for Mortgages secured by 1-unit Primary Residences – **November 1, 2018**

Uniform Loan Delivery Dataset

- Updates to our delivery requirements for [Freddie Mac HomeOneSM Mortgages](#) – **July 29, 2018**

Origination and underwriting

- Clarifications regarding [income stability](#) and [credit inquiries](#)

Concurrent Transfers of Servicing

- Revisions to Guide Form 960 to account for [Concurrent Transfers of Servicing](#) involving eMortgages – **October 1, 2018**

Freddie Mac Access Manager

- Updates to the access management provisions of the Master Systems License provided in Guide Section 2401.1 in preparation for the future availability of [Freddie Mac Access Manager](#)

Investor Reporting Change Initiative

- Removal of the Seller's option to elect the [super Accelerated Remittance Cycle](#)

Additional Guide updates and reminders

- Further updates as described in the [Additional Guide Updates and Reminders](#) section of this Bulletin

EFFECTIVE DATE

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

FREDDIE MAC ENHANCED RELIEF REFINANCE

As announced in Bulletin 2017-17, the Enhanced Relief Refinance offering provides refinance opportunities to Borrowers with existing Freddie Mac Mortgages who are making their Mortgage payments on time but cannot take advantage of the Freddie Mac “no cash-out” refinance offering because the LTV ratio of the new Mortgage exceeds the maximum limits. The Enhanced Relief Refinance offering is effective for Mortgages with Application Received Dates on and after November 1, 2018.

Under the direction of the FHFA and in alignment with Fannie Mae, we are revising our Enhanced Relief Refinance Mortgage requirements by introducing a Credit Fee in Price cap structure. In addition, we are increasing the minimum LTV ratio for Mortgages secured by 1-unit Primary Residences and clarifying our requirements for the use of HVE values in Section 4304.7 by removing the separate reference to the use of

HVE values for properties affected by disasters since the use of HVE values is already covered for all Enhanced Relief Refinance Mortgages in this section.

Credit Fees in Price

Effective for Mortgages with Settlement Dates on and after January 1, 2019

Similar to our Relief Refinance pricing, we are introducing a Credit Fee in Price cap structure for Enhanced Relief Refinance Mortgages, which is designed to manage both affordability and risk, and do so in a balanced and responsible manner. The pricing cap for each Mortgage is dependent on the LTV ratio of the Mortgage and occupancy type.

The cap will apply to Credit Fees in Price for Enhanced Relief Refinance Mortgages with LTV ratios identified on the Enhanced Relief Refinance Mortgage Cap grid in Guide Exhibit 19. For Mortgages with LTV ratios below those identified on the Enhanced Relief Refinance Mortgage Cap grid, all applicable Credit Fees in Price will apply with no cap limitation.

Applicable Credit Fees in Price for Enhanced Relief Refinance Mortgages include those identified in the Indicator Score (IS)/LTV and Mortgages with Secondary Financing grids for Mortgages with Settlement Dates on and after January 1, 2019, which contain new columns for Mortgages with LTV ratios greater than 97%. The IS/LTV and Mortgages with Secondary Financing grids for Freddie Mac Relief Refinance MortgagesSM are not changing. In addition, all other Credit Fees in Price apply to Enhanced Relief Refinance Mortgages unless otherwise noted.

We are also updating the footnotes of the Custom Mortgage Insurance Options grid to exclude Enhanced Relief Refinance Mortgages from those Credit Fees in Price.

Minimum LTV ratios

Effective for Mortgages with Application Received Dates on and after November 1, 2018

As a result of the introduction of the HomeOneSM Mortgage in Bulletin 2018-7, which allows LTV ratios up to 97%, we are increasing the minimum LTV ratio for Enhanced Relief Refinance Mortgages secured by 1-unit Primary Residences from 95.01% to 97.01%. In addition, we are simplifying our requirements by removing separate minimum LTV ratio limits for Mortgages secured by Manufactured Homes.

Guide impacts

We are updating Sections 4304.3, 4304.7 and Exhibit 19 to reflect these revisions to our Enhanced Relief Refinance requirements.

DELIVERY REQUIREMENTS FOR HOMEONE MORTGAGES

Effective July 29, 2018

We are updating our delivery requirements, including creating Section 6302.41, to provide special delivery requirements for homeownership education data for HomeOne Mortgages.

Guide impacts: Sections 4605.2 and 6302.41

ORIGINATION AND UNDERWRITING

In response to Seller feedback, we are clarifying the Guide related to income stability and credit inquiries.

Income stability

In Section 5301.1, we are:

- Specifying that the Seller must determine when additional analysis and documentation is needed to support income stability, and must consider the length of history of the income when evaluating stability of income based on historical receipt
- Reinforcing the requirement that the Borrower must have a consistent level of income despite changes in the source of income

Guide impact: Section 5301.1

Credit inquiries

While the Seller must determine whether additional credit was granted when a credit report indicates that a creditor has made an inquiry within the previous 120 days, Freddie Mac does not require that the Seller obtain a letter from a creditor or a Borrower's statement to support that determination. We are updating the Guide to remove the statement regarding the option to obtain such a letter or statement, which may have caused confusion, and because Sellers may be able to make this determination using other sources.

Loan Product Advisor[®] feedback messages have been updated to reflect these changes.

Guide impacts: Sections 5201.1 and 5202.6

CONCURRENT TRANSFERS OF SERVICING

Effective October 1, 2018, but Sellers and Servicers may adopt sooner if they are operationally able to do so

Market adoption of eMortgages is increasing. In response to requests from Seller/Servicers approved to sell and/or service eMortgages, we are updating Form 960 to require Sellers completing a Concurrent Transfer of Servicing transaction to identify whether eMortgages are included in the transaction and, if so, to designate the appropriate Document Custodian. For information on approval to sell eMortgages to, and/or service eMortgages for, Freddie Mac, visit our [eMortgage web page](#).

Guide impact: Form 960

FREDDIE MAC ACCESS MANAGER

We are updating the access management provisions of the Master Systems License in preparation for the future availability of Freddie Mac Access Manager, an automated and delegated administration tool. As part of our focus on making it easier for Seller/Servicers to do business with us, Access Manager will allow authorized Seller/Servicers and certain Related Third Parties to manage their user registration and access to Systems, as defined in Section 2401.1.

Additionally, we are updating our access management notification requirements in Section 2403.3 to align with the requirements in Section 2401.1.

Access Manager will be made available on a phased basis to Seller/Servicers using Freddie Mac Systems. We will announce the availability of the tool in a future Bulletin.

Guide impacts: Sections 2401.1, 2403.3 and 2403.8

INVESTOR REPORTING CHANGE INITIATIVE: REMITTANCE CYCLES

In Bulletin 2016-15, Freddie Mac announced the Investor Reporting Change Initiative ("Initiative") to convert our single-family investor reporting requirements closer to an industry standard and update our remittance cycles. In Bulletin 2017-4, we confirmed the extension of the Initiative implementation date from October 2018 to May 1, 2019 and provided Sellers with initial information about related impacts of transitioning to a Standard Remittance Cycle and taking out contracts and available remittance cycle options prior to May 1, 2019.

Removal of the super Accelerated Remittance Cycle option

Previously, a Seller could elect the Gold remittance cycle, super Accelerated Remittance Cycle (super ARC), or the First Tuesday remittance cycle for fixed-rate Mortgages sold to Freddie Mac under the Cash, Guarantor and MultiLender Swap programs.

In support of our efforts to facilitate the transition to the Standard Remittance Cycle, we are removing the Seller's option to elect super ARC.

Loan Selling AdvisorSM has been updated to remove this remittance cycle option.

Guide impacts: Sections 6201.8, 6201.10, 6203.7, 6205.7, 8303.18, Exhibit 6 and Form 960

Reminder

As a reminder, for Guarantor and MultiLender Swap Contracts taken out on and after March 2, 2019 with Settlement Dates on and after May 1, 2019, the Standard Remittance Cycle will be the only remittance cycle the Seller may elect. For Cash Contracts taken out on and before April 30, 2019, Sellers may continue to elect available remittance cycles (Gold and First Tuesday for fixed-rate Mortgages, Accelerated Remittance Cycle and First Tuesday for ARMs); however, on and after May 1, 2019 the Standard Remittance Cycle will apply to loans sold under those contracts. Loans funding on and after May 1, 2019 will fund with the Standard Remittance Cycle regardless of when the Cash Contract is taken out.

ADDITIONAL GUIDE UPDATES AND REMINDERS

Tri-Party Agreements

We are updating Form 1035DC and the Directory to include The Bank of New York Mellon Trust Company, N.A.'s new mailing address. In addition, we are making minor changes to the Tri-Party Agreements for consistency among the forms.

Guide impacts: Forms 1035, 1035DC, 1035WF and Directory 4

Key Number

Effective June 17, 2018

As announced in our [April 6, 2018 Single-Family News Center article](#), beginning June 17, 2018, Loan Product Advisor will generate alphanumeric Key Numbers. The Key Number is assigned throughout the life of the loan and is included in Loan Closing AdvisorSM, Loan Selling AdvisorSM, Loan Quality Advisor[®] and the Correspondent Assignment Center. The number of Key Number characters will remain eight.

Additionally, for Non-Loan Product Advisor Mortgages, beginning June 17, 2018, Loan Quality Advisor will generate alphanumeric Risk Assessment Keys.

We are updating the Glossary definition of "Key Number" to refer to the value as a "unique identifier" instead of a "unique number." We are also updating "Key Number" references in the Guide for consistency.

Guide impacts: Sections 4603.4, 5101.1, 5203.2, 6302.10, 6302.14, 6302.25 and Glossary J-Q

Uniform Residential Loan Application

Freddie Mac and Fannie Mae published the final redesigned Uniform Residential Loan Application (Freddie Mac Form 65) on our [Uniform Residential Loan Application & Uniform Loan Application Dataset web page](#) in December 2017. Sellers may begin using the redesigned form on July 1, 2019 and are required to begin using the form on February 1, 2020. In a future Bulletin prior to July 1, 2019, we will add the redesigned form to the Guide.

Current Guide PDF on FreddieMac.com

We publish current full Guide and individual segment PDFs on AllRegs[®]. Starting today, we are also publishing the current full Guide PDF on [FreddieMac.com](#) at <http://www.freddiemac.com/singlefamily/pdf/guide.pdf>. We will publish these Guide PDFs each time we publish a Bulletin with Guide updates.

The full Guide PDF enables Seller/Service providers to:

- Save a copy of the Guide
- Search the entire Guide (using CTRL + F)
- Print individual pages (such as certain sections) of the Guide

For historical reference purposes, the prior Guide PDFs will continue to be available on a quarterly basis on our [Guide Snapshot PDF web page](#).

GUIDE UPDATES SPREADSHEET

For a detailed list of the Guide updates associated with this Bulletin and the topics with which they correspond, refer to the Bulletin 2018-8 (Selling) Guide Updates Spreadsheet available at http://www.freddiemac.com/singlefamily/guide/docs/bl1808_spreadsheet.xls.

CONCLUSION

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

Sincerely,



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