
To: Freddie Mac Servicers

October 1, 2010

SUBJECT: FORECLOSURE PROCEEDINGS

Freddie Mac is deeply concerned by recent news articles which report that affidavits used in foreclosure proceedings may have been executed inappropriately and without proper notarization. The practices described in these reports violate both applicable law and Freddie Mac's contractual Servicing requirements as set forth in the Freddie Mac *Single-Family Seller/Servicer Guide* ("Guide").

Through this Industry Letter, Freddie Mac seeks to reinforce our commitment to safeguarding the legal rights of Borrowers. We are also reaffirming our focus on protecting the integrity of the foreclosure process. Accordingly, Freddie Mac is requiring Servicers to review their Servicing operations to verify the adequacy of their processes regarding the execution of affidavits and to notify Freddie Mac of any identified deficiencies.

Process review

Each Servicer must conduct a review of its Servicing operations with respect to Freddie Mac foreclosures which are either: a) currently pending or b) within the applicable judgment review period in each State.

Specifically, the Servicer must determine whether:

- The Servicer's policies, procedures and processes were and continue to be adequate to ensure that the affidavits executed in connection with these proceedings are in compliance with applicable law, including that the individuals signing the affidavits ("Affiant") had personal knowledge of the facts and that signatures were properly notarized; and
- The Servicer's employees and/or third parties responsible for executing affidavits supplied by the Servicer in these proceedings followed the above-described policies, procedures and processes, including those which required the Affiant to have personal knowledge of the facts and those which required proper notarization. If the Servicer cannot reasonably communicate with any such employee or third party directly, the Servicer should verify this information with the employee's or third party's former supervisor, to the extent possible.

Notification

The Servicer must complete its review by **October 18, 2010**.

In the event that the Servicer's review creates any question as to whether: 1) its policies, procedures or processes regarding the execution of affidavits were adequate to ensure compliance with both applicable law and Freddie Mac's Servicing requirements, or 2) its employees and/or third parties followed the proper policies, procedures and processes, the Servicer must immediately notify Freddie Mac at SRPMconfirmations@FreddieMac.com or (800) FREDDIE (and select "Servicing").

The Servicer must also remedy any deficiencies identified in order to ensure compliance with applicable law and Freddie Mac's Servicing requirements.

Freddie Mac reserves all rights and remedies available to it under the Guide and other Purchase Documents.

Sincerely,



Tracy Mooney
Senior Vice President
Servicer Relationship & Performance Management