



TO: Freddie Mac Sellers and Servicers

April 12, 2017 | 2017-4

SUBJECT: FREDDIE MAC INVESTOR REPORTING CHANGE INITIATIVE

Background

In Guide Bulletin 2016-15, we announced the Investor Reporting Change Initiative (“Initiative”) that will convert our single-family investor reporting requirements to be closer to an industry standard and update our remittance cycles. Through the Initiative, we will streamline the reporting process, achieve operational efficiencies and provide Seller/Servicers a more complete view of investor reporting data. The Initiative will also support and enhance the upcoming [Single Security](#) initiative.

Implementation date

As announced in our March 23, 2017 [Single Family News Center article](#), in response to Seller/Servicer feedback and with the understanding that the Initiative is a significant effort, we are extending the implementation date for the Initiative from October 2018 to **May 1, 2019**.

Topics for this Bulletin

In support of the Initiative, we are:

- Providing detailed requirements for:
 - [Accounting Cycle and investor reporting](#)
 - [The remittance cycle, type and method](#)
 - [Accounting reporting methods](#)
 - [Calculating Mortgage interest due to Freddie Mac](#)
 - [Subsequent Transfers of Servicing](#)
- Revising our requirements to:
 - Streamline reporting for the [inactivation of a Mortgage](#)
 - Streamline reporting for the [full reinstatement of a Mortgage](#)
 - Permit partial payments for a [partial reinstatement of a Mortgage](#)
 - Process and settle [loan modifications](#) on a daily basis
- Providing the following:
 - [Updates to the Glossary](#), including several new defined terms
 - [New reports in the Freddie Mac Service Loans application](#) for investor reporting data
 - Requirements and guidance for [transitioning to the Initiative](#)

ACCOUNTING CYCLE AND INVESTOR REPORTING

Accounting Cycle

The Freddie Mac Accounting Cycle will convert from a one-month period beginning on the 16th of each month and ending on the 15th of the following month, to a one-month period beginning on the first day of the calendar month and ending on the last day of the calendar month. Servicer reporting for the Accounting Cycle must be completed

no later than the last day of the month plus one Business Day. We are updating the Glossary to add a definition for the term "[Accounting Cycle](#)."

Investor reporting

Throughout the Accounting Cycle, to better manage their workflows, Servicers are encouraged, but not required, to report daily. At a minimum, Servicers must submit one loan-level transaction for each Mortgage serviced for Freddie Mac once a month no later than the 15th day of the month (or the next Business Day if the 15th day falls on a weekend or holiday), referred to as the P&I Determination Date, regardless of whether any activity has occurred on the Mortgage. We are updating the Glossary to add a definition for the term "[P&I Determination Date](#)."

Servicers must report any revisions that occur on or before the P&I Determination Date as soon as possible, but no later than the P&I Determination Date. A revision that occurs after the P&I Determination Date must be reported no later than the end of the month plus one Business Day.

The DDLPI reported via loan-level investor reporting will be considered the source of record for determining Mortgage status and Delinquency.

Investor reporting compensatory fees

Currently, Freddie Mac assesses a compensatory fee when a Servicer fails to report all required information for at least 80% of the loans it services for Freddie Mac by the end of the fifth Business Day after the Accounting Cycle Cutoff. With the implementation of the Initiative and the introduction of daily reporting, we believe Servicers will be able to increase their operational efficiency and streamline their investor reporting. Therefore, beginning on and after May 1, 2019, we are eliminating the *Reporting Noncompliance Compensatory Fee – All Loans*.

In instances where a Servicer does not submit a loan-level transaction or fails to clear outstanding edits by the end of the Accounting Cycle, Freddie Mac will simulate the loan-level transaction. In these situations, Servicers could be subject to an *Unreported Transaction and Loan Simulation Compensatory Fee*.

Guide Form 59, *Principal and Interest Custodial Account Reconciliation Worksheet – Monthly Account Statement*

In support of the Initiative, we are revising Form 59 as follows:

- Expanding "Section 1 – Adjusted Bank Balance" to include:
 - The prior month ending balance
 - Additional lines for the current month bank statement debits and credits, which are used in the calculation for the current cycle adjusted bank balance
- Modifying the instructions to conform to the new Accounting Cycle (the first day through the last day of the calendar month)

Guide impacts

As a result of these changes, we are revising Guide Sections 7101.5, 8203.11, 8301.4, 8301.5, 8301.10 through 8301.12, 8301.18, 8302.22, 8303.1, 8303.3, 8303.4, 8303.16, 8303.17, 8303.20, 8303.22, 8303.23 through 8303.32, 8303.36, 8303.37, 8303.39, 8303.41, 8303.42, 8304.1, 8304.13, 8304.14, 8304.16 through 8304.18, 8304.20 through 8304.22, 8502.1 through 8502.3, 8503.5, 8503.7, 8503.9, 9205.9, 9205.13, 9206.17, 9206.18, 9208.8, 9210.5 and 9603.17, Guide Exhibits 60, 72 and 96 and Form 59 and Glossary A-I.

REMITTANCE CYCLE, TYPE AND METHOD

Standard Remittance Cycle

Currently, the Gold remittance cycle, Accelerated Remittance Cycle (ARC), Super ARC and the First Tuesday remittance cycle are available for Mortgages sold to or serviced for Freddie Mac.

Effective May 1, 2019, the Standard Remittance Cycle must be utilized by Servicers for all Mortgages serviced for Freddie Mac. Under the Standard Remittance Cycle, monthly principal and interest will be due on the second Business Day following the P&I Determination Date. We are updating the Glossary to add a definition for the term [“Standard Remittance Cycle.”](#)

Payoffs will continue to be due on the fifth Business Day after the Mortgage Payoff Date. Note: Seller/Servicers with a negotiated term of business providing for a different payoff remittance due date are not impacted by the Initiative implementation; those terms will continue to be effective.

For Guarantor and MultiLender Swap Contracts, the Selling System® will be updated on March 2, 2019 to include the Standard Remittance Cycle. 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 select.

For Cash Contracts taken out on and before April 30, 2019, Sellers may continue to select currently available remittance cycles; 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 was taken out.

The table below provides remittance cycle details by contract type and the date the contract is taken out:

Contract type	Taken out on and after March 2, 2019 and on and before April 30, 2019	Taken out on and after May 1, 2019
Guarantor/MultiLender	All current remittance options will be available for contracts with Settlement Dates before May 1, 2019; however, the Standard Remittance Cycle will apply to those loans beginning May 1, 2019.	Only the Standard Remittance Cycle will be available.
Cash	No Change; all current remittance options will be available until April 30, 2019; however, the Standard Remittance Cycle will apply to those loans beginning May 1, 2019.	<ul style="list-style-type: none"> Only the Standard Remittance Cycle will be available Note: Loans funding on or after May 1, 2019 will fund with the Standard Remittance Cycle regardless of when the Cash Contract was taken out

Remittance type

Under the Standard Remittance Cycle, Servicers will report the actual principal received and will report the forecasted scheduled interest based on the UPB reported at the end of the current Accounting Cycle. This UPB is referred to and defined in the Glossary as [“Ending UPB.”](#)

After April 30, 2019, Freddie Mac will no longer utilize the scheduled/scheduled remittance type.

Remittance method

Each month, beginning with the month of June 2019, Freddie Mac will draft, via Automated Clearing House (ACH) transaction, monthly principal and interest directly from a Servicer’s designated P&I Custodial Account on the second Business Day following the P&I Determination Date (such date referred to and defined in the Glossary as [“P&I Draft Date”](#)).

Freddie Mac will draft payoffs that are successfully reported within two Business Days of the payoff on the fifth Business Day following the payoff. Payoffs reported three or more days after the payoff will be considered late and will be drafted on the second Business Day after the payoff is successfully reported. Each date on which payoffs will be drafted is referred to as the applicable “Payoff Draft Date.”

On the second Business Day prior to a Payoff Draft Date, referred to as the “Payoff Determination Date,” Freddie Mac will determine the payoff amount and notify Servicers via the [Draft Report](#). Definitions for the terms [“Payoff Draft Date”](#) and [“Payoff Determination Date”](#) are being added to the Glossary.

Refer to [Attachment A](#) to this Bulletin, *Future P&I Reporting Dates and Drafting Timelines*, for examples that highlight:

- The loan activity reporting and drafting timeline for principal and interest
- The relationship between the P&I Determination Date and the P&I Draft Date
- The relationship between the payoff reporting date, the Payoff Determination Date and the Payoff Draft Date

Guide impacts

As a result of these changes, we are revising the title of Guide Chapter 8303, deleting Sections 1501.7, 8302.2, 8302.13 through 8302.15, 8303.8, 8303.16 and 8303.33, Exhibits 6, 66 and 68 and Form 1100. We are also revising Sections 3602.5, 6101.3, 6101.4, 6101.6, 6101.7, 6102.8, 6201.3, 6201.8, 6201.10, 6203.3, 6203.7, 6204.7, 6205.3, 6205.7, 7101.5, 8301.2, 8301.4, 8301.13, 8301.14, 8301.19, 8302.1 through 8302.3, 8302.16, 8302.22, 8303.1 through 8303.16, 8303.18 through 8303.23, 8303.25 through 8303.27, 8303.31, 8303.33 through 8303.35, 8303.39, 8303.41, 8303.42, 8303.44, 8304.1, 8304.2, 8304.4, 8304.5, 8304.17, 8304.22, 9205.9, 9205.12, 9205.13, 9206.11, 9206.17, 9206.18, 9208.2, 9208.8 and 9701.14, Forms 960, 981 and 1205, Glossaries A-I, J-Q and R-Z and Directories 3, 6 and 7

Seller/Servicers will be notified when the Guide sample Forms 15, 15A and 15C, as generated by the Selling System[®], are updated to reflect these changes. The samples forms will be updated by May 1, 2019.

ACCOUNTING REPORTING METHODS

Currently, Servicers can utilize three accounting reporting methods to pass through principal and interest to Freddie Mac: Net Yield, Scheduled/Scheduled and the Alternate Method.

Once the Initiative is implemented, Servicers will be required to use the Net Yield accounting reporting method to pass through principal and interest for all loans they service for Freddie Mac.

Note: Servicers that service existing daily simple interest loans that require the use of the Alternate Method will be provided new negotiated terms of business to allow them to continue to utilize the Alternate Method for those loans.

Guide impacts: Section 8301.4 and Directory 7

CALCULATING MORTGAGE INTEREST DUE TO FREDDIE MAC

Beginning May 1, 2019, Servicers must report the forecasted scheduled interest to be drafted in the following Accounting Cycle by multiplying the current Accounting Cycle interest-bearing Ending UPB by the Accounting Net Yield (ANY) divided by 12, as shown in the equation below:

$$\text{Interest due Freddie Mac} = \text{current Accounting Cycle interest-bearing Ending UPB} \times (\text{ANY}/12)$$

Guide impacts: Section 8301.5 and Exhibit 61

SUBSEQUENT TRANSFERS OF SERVICING

Currently, the Effective Date of Transfer for Subsequent Transfers of Servicing is the 16th day of the month of transfer. Once the Initiative is implemented, the Effective Date of Transfer will be the first day of the month of transfer. The definition for the Glossary term "[Effective Date of Transfer](#)" is being updated to reflect this change.

To facilitate this transition, we will implement a temporary moratorium on Subsequent Transfers of Servicing activities during the month of and the month after the Initiative is implemented (i.e. the following Effective Dates of Transfer will be ineligible for a Subsequent Transfer of Servicing: May 16, 2019 and June 1, 2019). Prior to implementation of the Initiative, the last Effective Date of Transfer that will be approved is April 16, 2019. After implementation, the next available transfer effective date will be July 1, 2019.

Note: Newly-funded loans with Concurrent Transfers of Servicing and loans sold through the Servicing-Released Sales Process will not be effected by this temporary moratorium.

We are updating Form 981, *Agreement for Subsequent Transfer of Servicing of Single-Family Mortgages*, to reflect this change. However, the electronic fillable fields version will be posted with a future Bulletin.

Guide impacts: Sections 7101.2 and 7101.5, Forms 981 and 1034T and Glossary A-I

INACTIVATION, REINSTATEMENT AND MODIFICATION OF A MORTGAGE

Inactivation of a Mortgage

Currently, Servicers must refer a Mortgage to foreclosure before they may report the Mortgage as inactive and suspend remitting funds to Freddie Mac. Once the Initiative is implemented, we will remove the requirement. Servicers will no longer be required to report EDR default action code 43 (Referral to Foreclosure) to inactivate a Mortgage. However, EDR default action code 43 will still be required upon referral to foreclosure.

Once the Initiative is implemented, Servicers may change the reporting status of a Mortgage to “inactive” in the Accounting Cycle it becomes 120 days delinquent (four payments past due) either by selecting “inactivation” in the Service Loans application or reporting Loan Level Reporting exception code 40 (Inactivation). If the Servicer does not inactivate the Mortgage in the Accounting Cycle it becomes 120 days delinquent, Freddie Mac will inactivate the Mortgage. Once the Mortgage is inactivated, Freddie Mac will not draft monthly principal and interest until the Mortgage is partially or fully reinstated.

Reinstatement of a Mortgage

Full reinstatement

Servicers will no longer be required to report EDR default action code 20 (Reinstatement) prior to reinstating a Mortgage. If the reported payment activity is sufficient to cover all delinquent principal and interest plus forecasted scheduled interest for the next Accounting Cycle, Freddie Mac will reinstate the Mortgage and update EDR to reflect the reinstatement. Servicers are encouraged, but not required, to report Loan Level Reporting exception code 50 (Reinstatement) to reflect the reinstatement.

The table below provides full reinstatement reporting requirements and timing for Freddie Mac drafting of the collected principal and interest:

Full reinstatement reporting requirements (the reported DDLPI must be in the current or future Accounting Cycle)	
If the previously reported DDLPI is...	Then the Servicer must report...
On or before the inactivation date	The principal from the previously reported DDLPI to the current Accounting Cycle (or greater) and interest from the inactivation date to the current cycle plus the forecasted scheduled interest for the next Accounting Cycle
After the inactivation date	The principal from the previously reported DDLPI to the current Accounting Cycle (or greater) and interest from the previously reported DDLPI to the current cycle plus the forecasted scheduled interest for the next Accounting Cycle

Drafting timing	
If the Servicer reports the reinstatement payment activity...	Then Freddie Mac will draft...
On or before the P&I Determination Date	<ul style="list-style-type: none"> The principal on the P&I Draft Date of the current Accounting Cycle Delinquent and the forecasted scheduled interest on the P&I Draft Date of the following Accounting Cycle
Drafting timing	
If the Servicer reports the reinstatement payment activity ...	Then Freddie Mac will draft...
After the P&I Determination Date	<ul style="list-style-type: none"> The principal on the P&I Draft Date of the following Accounting Cycle Delinquent and the forecasted scheduled interest on the P&I Draft Date of the following Accounting Cycle

Partial reinstatement

Currently, we do not permit partial reinstatements without the Servicer first advancing the total amount of delinquent interest to fully reinstate the Mortgage. Once the Initiative is implemented, Servicers will be able to accept payments equivalent to increments of (at least) one monthly principal payment and delinquent interest and advance the DDLPI on an inactive Mortgage without first bringing the Mortgage current.

The table below provides partial reinstatement reporting requirements and timing for Freddie Mac drafting of the collected principal and interest:

Partial reinstatement reporting requirements (the reported DDLPI must NOT be in the current or future Accounting Cycle)	
If the reported DDLPI is...	Then the Servicer must report...
On or before the inactivation date	The principal received and accepted (increments of at least one full expected principal payment) and zero interest
After the inactivation date	The principal received and accepted (increments of at least one full expected principal payment) and the corresponding delinquent interest amount
Drafting timing	
If the Servicer reports the payment activity...	Then Freddie Mac will draft...
On or before the P&I Determination Date	<ul style="list-style-type: none"> The principal on the P&I Draft Date of the current Accounting Cycle Delinquent and the forecasted scheduled interest on the P&I Draft Date of the following Accounting Cycle
After the P&I Determination Date	<ul style="list-style-type: none"> The principal on the P&I Draft Date of the following Accounting Cycle Delinquent and the forecasted scheduled interest on the P&I Draft Date of the following Accounting Cycle

Until brought current, the inactivation date will not change and the Mortgage will remain inactive regardless of the number of delinquent payments received.

Loan modifications

Currently, Freddie Mac settles loan modifications once per month which often inhibits Servicers from reporting on the modified mortgage terms in the current Accounting Cycle. On and after June 1, 2019, Freddie Mac will process and settle loan modifications on a daily basis.

With loan modifications processed and settled on a daily basis, Servicers must report newly modified mortgage terms as follows:

If the loan modification was settled in the current Accounting Cycle....	Then the Servicer must....
With the first modified payment due in the following month	Report the next month's forecasted scheduled interest based on the modified terms in the current Accounting Cycle
With the first modified payment due in the current month	Report the principal and forecasted scheduled interest based on the newly modified terms in the current Accounting Cycle. Note: If the loan modification settles after the P&I Determination Date and the Servicer does not report the modified loan data, Freddie Mac will simulate the loan activity.
And the Modification Effective Date (first modified payment due date) is in a past Accounting Cycle , the Mortgage will remain inactive after the loan modification	Complete a full reinstatement. Refer to Section 8303.23(a) for reporting the corresponding payment and DDLPI date change. (The DDLPI would change to the same date as the Modification Effective Date).

As part of the Initiative, Freddie Mac will update the existing *Loan Modifications Processed Report* and rename it the [Loan Modifications Status Report](#). The *Loan Modifications Status Report* will notify Servicers daily of loan modifications that have settled or have processing errors.

Guide impacts

As a result of these changes, we are revising Sections 8303.1, 8303.23 and 9102.7

GLOSSARY UPDATES

To support implementation of the Initiative, we will introduce and revise the following defined terms in the [Glossary](#):

Glossary term	Definition
New terms	
Accounting Cycle	The one-month period beginning on the first day of the calendar month. Servicer reporting for the Accounting Cycle must be completed no later than the last day of the calendar month plus one Business Day.
Ending UPB	The UPB as of the end of an Accounting Cycle.
P&I Determination Date	The 15 th calendar day of the month (or next Business Day if the 15 th calendar day falls on a weekend or holiday).

Glossary term	Definition
P&I Draft Date	The second Business Day following the P&I Determination Date.
Payoff Draft Date	Two Business Days after the Payoff Determination Date.
Payoff Determination Date	The date that Freddie Mac determines the amount it will draft based on Servicer reporting. For payoffs reported within two Business Days of the payoff, the Payoff Determination Date will be two Business Days before the Payoff Draft Date. Payoffs reported three or more Business days after the payoff are late and the Payoff Determination Date will be the same day the payoff was successfully reported.
Standard Remittance Cycle	The remittance cycle for which Freddie Mac calculates the actual principal and forecasted scheduled interest based on the Servicer's successful loan-level reporting as of the P&I Determination Date that is due on the second Business Day after the P&I Determination Date. In the Selling System®, this term can be used interchangeably with Standard Remittance Option.
Revised terms	
Accounting Net Yield (ANY)	The net yield rate that the Servicer uses to calculate the amount of interest due to Freddie Mac each month. The ANY for each Mortgage is equal to the Note Rate less the Servicing Spread of the Mortgage. The ANY for Mortgages purchased through RNY Cash or ARM Cash equals the Required Net Yield (RNY) except for Mortgages sold to Freddie Mac at a discount.
Effective Date of Transfer	For a Concurrent Transfer of Servicing, the Effective Date of Transfer is the applicable Funding Date or Settlement Date. For a Subsequent Transfer of Servicing, the Effective Date of Transfer is the first calendar day of the month of the transfer, unless otherwise approved by Freddie Mac.

We will also delete the Glossary term "Accounting Cycle Cutoff," effective May 1, 2019.

NEW REPORTS AND DATA FILE AVAILABLE IN THE SERVICE LOANS APPLICATION

As provided in our [technical specifications](#) announced in our January 18, 2017 [Single-Family News Center article](#), we are creating new reports and a new data file to provide Servicers a concise view of investor reporting data. The following chart summarizes the new reports that will be available in the Service Loans application beginning on May 1, 2019:

Name of report	Summary of report	Frequency
<i>Draft Report</i>	A cumulative view of the amounts that will be drafted in a given month. This report provides:	Daily

Name of report	Summary of report	Frequency
	<ul style="list-style-type: none"> Summary level amount due per draft date Transaction level detail (P&I, liquidation and adjustments) Aggregate amount due at the loan level 	
<i>Negative Principal Reduction Report</i>	A cumulative view of loans that had a curtailment reversal/negative principal reduction amount greater than the allowable threshold of \$3,000 (Warning #708) in the Accounting Cycle	Daily
<i>P&I Recast Report</i>	A cumulative view of loans with a recast exception event due to a P&I constant change during the Accounting Cycle	Daily
<i>Liquidations Pending Charge-off Credit Report</i>	A cumulative view of liquidations (e.g., short sales and foreclosures) that have been reported in Loan Level Reporting that have not yet received any applicable charge-off credits	Daily
<i>TOS Liquidation Report</i>	A cumulative view of all loans within the Transfer of Servicing population that were liquidated prior to the Effective Date of Transfer	Daily
<i>Future Step Rate Schedule Report</i>	A report that includes all loans with future step rate schedule information	Monthly
<i>Non Sufficient Funds Report</i>	A report that summarizes the NSF transactions to-date in Freddie Mac's Cash Management system	Adhoc
<i>Loan Modification Status Report</i> (Note: This report was formerly titled, <i>Loan Modifications Processed Report</i>)	A cumulative view of loans in either of the following categories: <ul style="list-style-type: none"> Settled modifications Modifications with processing errors 	Daily
<i>Response File</i>	An outbound file from Freddie Mac that provides loan level details for each Loan Level Reporting (LLR) file processed. This file will contain both successful and unsuccessful transactions.	Multiple times per day

Additionally, to help Servicers improve their investor reporting, we will continue to provide Servicers the *Warning Report* on a daily basis. This report highlights loan-level transactions that had discrepancies accepted by Freddie Mac that do not require the Servicer to take action but for which a review is recommended. Servicers should use this report to determine whether the correct loan transaction was processed. If the correct loan transaction was not processed, the Servicer must submit a revision.

On May 1, 2019, the following reports will be retired in the Service Loans application: *Remittance Detail*, *Seller/Servicer Remittance Analysis*, *Remittance Analysis Amount Drilldown*, *Remittance Analysis Amount Received Drilldown* and the *Minority Billing* report.

Refer to the “Reports Summary” tab of the [Investor Reporting Change Initiative Service Loans application Reports Summary](#) spreadsheet for the full list of the new, updated and retired reports in the Service Loans application associated with the Initiative as well as a summary of each report.

Guide impacts: Sections 8303.10, 8303.11, 8303.13, 8303.20, 8303.25 through 8303.27, 8303.30 through 8303.32, 9205.9, 9208.8, 9210.5, 9601.3 and 9603.17

REQUIREMENTS AND GUIDANCE FOR TRANSITIONING TO THE INITIATIVE

To smoothly and efficiently transition from existing investor reporting and remitting requirements to the changes that we are implementing with the Initiative, we are developing a cutover strategy. While we will publish details of this strategy in a future Guide Bulletin, to allow Servicers to begin to develop operational requirements, we are providing the broad parameters of the cutover strategy as follows:

Reporting activity May 16, 2019 through May 20, 2019 (“Initial Cutoff Reporting”)

To meet the Initiative implementation date, during this period, Servicers must:

- Report for the May 2019 Accounting Cycle Cutoff no later than May 20, 2019
- Report principal reduction and accrued interest from April 16, 2019 through May 15, 2019
- Report accrued interest
- Clear all edits by May 20, 2019
- Remit principal and interest activity via Global Payment Incorporated call-in according to the pre-cutover remittance option for the loan activity
- Report payoff activity up to May 15, 2019 using the pre-cutover reporting and remittance guidelines

Loan modifications that occur between April 11, 2019 through May 13, 2019 will be processed on May 13, 2019.

Reporting activity during the extended May Accounting Cycle (this is once the Servicer has deployed the necessary changes):

To meet the Initiative implementation date, during this period, Servicers must:

- Report additional loan-level activity from May 16, 2019 through May 31, 2019, combining all principal and non-payoff exceptions with data previously reported in Initial Cutoff Reporting
- Report forecasted scheduled interest for loans with additional loan-level activity
- Report payoff activity from May 16, 2019 through May 31, 2019 according to the new investor reporting requirements

Additionally, Freddie Mac will draft:

- Principal and interest activity directly from the Servicer’s designated P&I Custodial Account on the P&I Draft Date two business days after the P&I Determination Date in June (June 19, 2019)
- Payoff amounts directly from Servicer’s designated P&I Custodial Account on the Payoff Draft Date beginning June 3, 2019

Loan modifications

Freddie Mac will process loan modifications as follows:

- Loan modifications that occur between May 1, 2019 through May 13, 2019 will be processed on May 13, 2019
- Loan modifications that occur between May 14, 2019 through May 31, 2019 will be processed on June 3, 2019
- Freddie Mac will begin processing loan modifications on a daily basis starting on June 3, 2019

Testing

- Freddie Mac is developing a testing plan for the Initiative and will announce details of this plan in a future communication

STAY INFORMED

We will continue to post additional information regarding requirements and specifications for the Initiative on the [Investor Reporting Change Initiative](#) web page as they become available. As a reminder, these requirements and specifications constitute Purchase Documents. Seller/Service providers should visit the web page periodically for the latest news and frequently asked questions.

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

We will also provide resources on the [Freddie Mac Learning Center](#) in the future.

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 2017-4 (Investor Reporting Change Initiative) Guide Updates Spreadsheet available at http://www.freddiemac.com/singlefamily/guide/docs/bl1704_spreadsheet.xls.

CONCLUSION

Freddie Mac is committed to providing information to Seller/Service providers to allow as much time as possible to implement the Initiative. The requirements we have provided in this Bulletin provide Seller/Service providers the information they need to plan for implementation of the Initiative and incorporate the investor reporting changes into their policies and procedures. We will provide more detailed information on the transition strategy and testing plan in future communications later this year.

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,

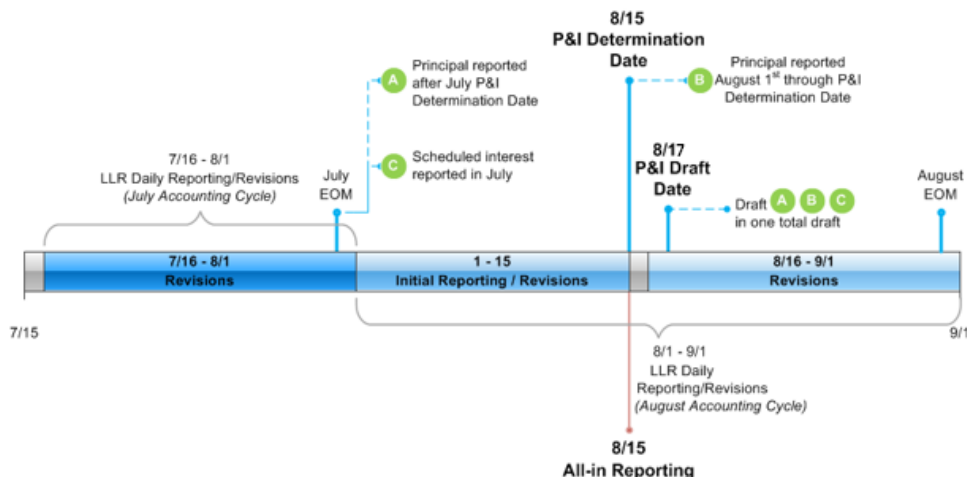


Yvette W. Gilmore
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Attachment A to Bulletin 2017-4

Future P&I Reporting Dates and Drafting Timeline

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



P&I Determination Date/All-in Reporting: The date by which the Servicer is required to report a loan level record for each loan in its portfolio, and the date that Freddie Mac will calculate the draft of the actual principal that has been collected and successfully reported for the current Accounting Cycle.

(b) Relationship Between P&I Determination Date and P&I Draft Date

P&I Determination Date	Actual P&I Determination Date	P&I Draft 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)

(c) Relationship Between Reporting Date, Payoff Determination Date and Payoff Draft Date

Scenario	Mon. 1-May	Tues. 2-May	Wed. 3-May	Thurs. 4-May	Fri. 5-May	Sat. 6-May	Sun. 7-May	Mon. 8-May	Tues. 9-May	Wed. 10-May
Timely Reporting - Example 1	Payoff Date	Payoff reported to FM		Payoff Determination Date				Payoff Draft Date		
Timely Reporting - Example 2	Payoff Date		Payoff reported to FM	Payoff Determination Date				Payoff Draft Date		
PO Reported Late - Example 1	Payoff Date			Payoff reported to FM AND Payoff Determination Date				Payoff Draft Date		
PO Reported Late - Example 2	Payoff Date				Payoff reported to FM AND Payoff Determination Date				Payoff Draft Date	
PO Reported Late - Example 3	Payoff Date							Payoff reported to FM AND Payoff Determination Date		Payoff Draft Date
Short Sale Payoff Reported Timely - Example 1	Payoff Date	Payoff reported to FM	Short Sale settles on FM systems	Payoff Determination Date				Payoff Draft Date and Charge-off Adjustment Draft		
Short Sale Payoff Reported Timely - Example 2	Payoff Date	Payoff reported to FM		Payoff Determination Date	Short Sale settles on FM systems			Payoff Draft Date	Charge-off Adjustment Draft	

Note that "FM" refers to "Freddie Mac."