

Bulletin

TO: Freddie Mac Sellers

June 3, 2020 | 2020-20

SUBJECT: SELLING UPDATES

This Guide Bulletin announces:

- Addition of a new chapter in the Guide Selling segment containing [property insurance requirements](#) previously located in the Guide Servicing segment – **June 10, 2020**
- The addition of a new eligibility category for leased amenities in Freddie Mac [Condo Project Advisor](#)[®] – **June 18, 2020**
- Updates related to [eMortgages](#) – **June 10, 2020**

PROPERTY INSURANCE REQUIREMENTS

Effective June 10, 2020

Currently, the insurance requirements for Mortgages sold to and serviced for Freddie Mac are located in Guide Chapter 8202, *Property Insurance*, in the Guide Servicing segment. To make it easier for Sellers to locate and refer to the requirements applicable to Mortgages eligible for sale to Freddie Mac, we are moving these insurance requirements to new Chapter 4703. We are not changing any of the requirements at this time, but minor updates were included for clarification. Among other things, Chapter 4703 includes:

- Requirements for property insurance insurer licensing and ratings
- Property insurance types and amounts, and
- Flood insurance (including requirements for a flood zone determination for each property securing a Mortgage sold to Freddie Mac)

We are also updating Guide Sections 8202.1 through 8202.3, 8202.5 through 8202.8 and 8202.10 to reflect the movement of the insurance requirements to new Chapter 4703 located in the Selling segment. Additionally, applicable cross-references throughout the Guide will be updated to refer to the new location.

Guide impacts: Sections 2101.8, 4201.12, 4304.7, 4407.1, 4607.14, 5601.12, 5701.2, 5702.1, 5705.2, 7101.14, 8202.1 through 8202.3, 8202.5 through 8202.8, 8202.10, Chapter 4703 and Directory 5

ADDITION OF LEASED AMENITIES TO CONDO PROJECT ADVISOR[®]

Effective June 18, 2020

Condo Project Advisor[®], which is accessible through the Freddie Mac Loan Advisor[®] portal, allows Sellers to request single-loan exceptions (referred to as Project Waiver Requests (PWR)) for Established Condominium Projects that do not meet certain project eligibility requirements.

We are adding a seventh Condominium Project eligibility category, Leased Amenities, to Condo Project Advisor:

- Project in which the unit owners do not possess sole ownership of the Common Elements (referred to as “Leased Amenities” in Condo Project Advisor) – Section 5701.3(h)

Additionally, authorized Sellers continue to be able to request a PWR through Condo Project Advisor in one or more of the following eligibility categories:

- Delinquent assessments – Section 5701.5(e)

- Excessive commercial space – Section 5701.3(d)
- Pending litigation – Section 5701.3(i)
- Owner occupancy (referred to as “Project Unit Occupancy” in Condo Project Advisor) – Section 5701.5(c)
- Reserves for capital expenditures and deferred maintenance – Section 5701.5(d)
- Excessive single investor concentration (referred to as “Single Entity Ownership” in Condo Project Advisor) – Section 5701.3(j)

Sellers interested in Condo Project Advisor should visit our [Condo Project Advisor web page](#).

Guide impact: Section 5701.1

eMORTGAGES

Effective June 10, 2020

Transfer of Control of eNotes

A Servicer will be required to deliver Guide Form 1036, *Request for Possession or Control of Documents*, to its eNote custodian to request the Transfer of Control from Freddie Mac when the Servicer must be the holder of the eNote in a Legal Action as defined in Section 8107.1(b). If Freddie Mac is the eNote custodian, Form 1036 must be sent to Loan_Delivery_Funding_Ops@freddiemac.com at least three Business Days before the change of Control is needed.

As a result, Guide Exhibit 47, *Sample FHLMC eNote Transfer of Control Request*, is being deleted.

Guide impacts: Sections 1402.11, 1402.17, Exhibit 47 and Form 1036

eNote Custodians

We are specifying that the Freddie Mac-approved eNote Custodian must perform periodic reviews of the eNotes in their eNote Vault system and notify Freddie Mac of any issues.

Guide impact: Section 1402.18

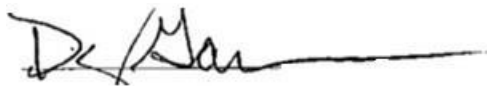
GUIDE UPDATES SPREADSHEET

For a detailed list of the Guide updates associated with this Bulletin and the topics with which they correspond, access the Bulletin 2020-20 (Selling) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddiemac.com/app/guide/bulletin/2020-20>.

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,



Danny Gardner
Senior Vice President, Client and Community Engagement