

TO: Freddie Mac Seller/Servicers

December 16, 2020 | 2020-48

## SUBJECT: SELLING/SERVICING UPDATES

This Guide Bulletin announces:

- **Liquidity eligibility requirements – March 31, 2021**
  - Updated [liquidity eligibility requirements](#) for non-depository Seller/Servicers
- **Power of attorney – January 4, 2021**
  - Revised [power of attorney](#) requirements
- **Document Custody Procedures Handbook**
  - Updates to the [Document Custody Procedures Handbook](#), including a new chapter on eMortgages

## LIQUIDITY ELIGIBILITY REQUIREMENTS FOR NON-DEPOSITORY SELLER/SERVICERS

### Effective March 31, 2021

Under the guidance of the FHFA and in alignment with Fannie Mae, Freddie Mac is updating the definition of acceptable liquidity for Seller/Servicers that are not depository institutions. Guide Section 2101.2(a) states that liquidity for Seller/Servicers that are not depository institutions is defined as “Cash and cash equivalents (unrestricted), certain investment grade securities that are available for sale or held for trade (including single-family mortgage-backed securities backed solely by Agency Mortgage Servicing, obligations of Government Sponsored Enterprises, and Treasury obligations), unused/available portion of committed Servicing advance lines.”

Effective March 31, 2021, the “unused/available portion of committed Servicing advance lines” will no longer be an acceptable component of the Seller/Servicer’s liquidity.

Excluding unused committed advanced lines of credit as allowable liquidity assets further strengthens the minimum liquidity requirement. Seller/Servicers should have the balance sheet liquidity to meet the minimum eligibility requirements rather than relying on liquidity through lenders, especially during adverse market conditions when the lenders may be unavailable.

Please note that the relaxed liquidity requirement for loans that were current when they entered COVID-19-related forbearance that we announced in Bulletin 2020-24 remains in effect.

Guide impact: Section 2101.2

## POWER OF ATTORNEY

### Effective January 4, 2021; however, Seller/Servicers are encouraged to implement the changes as soon as possible

In Bulletin 2020-38, we announced that, effective January 4, 2021, Sellers would be required to deliver the recorded power of attorney to the Document Custodian within five Business Days of receipt from the recorder’s office. In response to Seller feedback and to offer more flexibility, we are revising the requirement from within five Business Days to within 30 days of receipt from the recorder’s office.

Guide impacts: Sections 1402.8 and 6301.4

## UPDATED DOCUMENT CUSTODY PROCEDURES HANDBOOK

We have updated the [Document Custody Procedures Handbook](#) on Freddie Mac's web site and AllRegs to align with changes in our purchase requirements that were announced in recent Guide Bulletins. These revisions are related to:

- Pause on accepting new Document Custodians
- Submission of aged release reports semi-annually, beginning in January 2021
- Additional and enhanced documentation delivery requirements for Cooperative Share Loans
- Enhanced Lost Note Affidavit custodial and note recovery requirements
- Expansion on Freddie Mac audits
- Updates on notarizations
- Expansion of processing supplemental paper and electronic documents

In response to the increasing use of electronic documents in the mortgage market, we have also created a new chapter with information on eMortgages. Acting as Document Custodian (Freddie Mac-approved third-party eCustodian) for Freddie Mac's eNotes requires separate approval from Freddie Mac. That approval process and the special requirements for managing eNotes are described in [Chapter 6, Procedures Relating to eNotes and eMortgages](#).

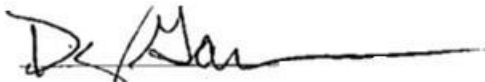
## GUIDE UPDATES SPREADSHEET

For a detailed list of the Guide updates associated with this Bulletin and the topics with which they correspond, access the Bulletin 2020-48 (Selling) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddiemac.com/app/guide/bulletin/2020-48>.

## 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