

Bulletin

TO: Freddie Mac Servicers

February 10, 2021 | 2021-5

SUBJECT: SERVICING UPDATES

This Guide Bulletin announces:

Duty to Serve:

- [Exhibit 40 updates](#)

Escrow Requirements

- Greater specificity on [Escrow account requirement](#)

Community Land Trust Mortgages

- Requirement flexibilities for [Community Land Trust Mortgages](#)

Depository Accounts risk threshold

- Updates to [depository accounts risk threshold](#)

Electronic Payment Deferral Agreement

- Updates to the delivery requirements of [Electronic Payment Deferral Agreement](#)

Additional Guide updates

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

EFFECTIVE DATE

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

DUTY TO SERVE: EXHIBIT 40 UPDATES

As announced in Guide Bulletin 2018-9, we are currently partnered with NextJob®, a national employment solution company, to help Servicers assist eligible homeowners with Home Possible® and HFA Advantage® Mortgages in specific high-needs areas who experience employment challenges.

We are updating Guide Exhibit 40, *Duty to Serve High-Need Areas* according to the most recent annual updates from the FHFA. These updates impact what areas are eligible for participation with the NextJob re-employment services as outlined in Guide Section 9102.4(c).

Guide impact: Exhibit 40

ESCROW ACCOUNTS WAIVER

In response to Servicer feedback, we are updating the requirements in Section 8201.1 to provide additional clarity and efficiency on waiving Escrow accounts previously announced in Bulletin 2020-39.

Guide impact: Section 8201.1

SERVICING OF COMMUNITY LAND TRUST MORTGAGES

In Bulletin 2018-16, we announced the eligibility of Community Land Trust Mortgages for sale to Freddie Mac and included requirements to facilitate the origination and Servicing of Community Land Trust Mortgages. As part of that announcement, we introduced Guide Chapter 8701 along with Guide Form 490, *Freddie Mac's Community Land Trust Ground Lease Rider*.

Based on Servicer feedback, we are simplifying the Servicing requirements for Delinquency management for Community Land Trust Mortgages. As part of this change, we are eliminating the following requirements and provisions from Chapter 8701 and Form 490:

- The requirement that Servicers of Community Land Trust Mortgages maintain contact information necessary to provide disclosures and notices to the lessor (e.g., the Community Land Trust or its duly authorized representative)
- The provision related to a Borrower's written consent to the Servicer's disclosure of certain information to the lessor in the event of Borrower default or when evaluating the Borrower for workout or relief options
- The Servicer's obligation to provide to the lessor all notices and disclosures required under the ground lease, as amended
- The requirement for the Servicer to complete a pre-foreclosure referral account review in accordance with Section 8701.4(b) in addition to the requirements in Section 9301.4
- The Servicer's obligation to provide a copy of the breach letter to the lessor

Guide Impacts: Sections 4502.13, 8701.1, 8701.3, 8701.4 and Form 490

DEPOSITORY ACCOUNTS RISK THRESHOLD

Depository eligibility requirements for Custodial Accounts, Depositories for Escrow and Buydown Custodial Accounts will no longer be measured using a minimum tier rating and will now be based on an Freddie Mac's acceptable risk threshold. Servicers will be notified when a depository does not meet our requirements.

Guide impacts: Sections 8302.4, 8302.5, 8304.8 and Directory

ELECTRONIC PAYMENT DEFERRAL AGREEMENT DELIVERY REQUIREMENTS

The Electronic Payment Deferral Agreement can be recorded electronically or traditionally. We are updating Sections 1402.11 and 9203.27 to provide clarity on our delivery requirements based on recordation methods.

Guide impacts: Sections 1402.11, 9203.27

ADDITIONAL GUIDE UPDATES

Audit Confirmation request

We are updating Section 1201.11 and Exhibit 65, *Audit Confirmation Request* to reflect changes to the format of the audit confirmation response.

Guide impacts: Section 1201.11 and Exhibit 65

Updates to IRS Form 4506-T requirements

As announced in Bulletin 2021-4, we are updating all references to Internal Revenue Service (IRS) Form 4506-T to reflect the new requirement for IRS Form 4506-C. IRS Form 4506-C must be used effective March 1, 2021 by authorized Income Verification Express Service participants in order to obtain tax transcripts with the taxpayer's consent.

Guide Impacts: Sections 9101.2, 9102.4, 9102.5, 9202.3

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 2021-5 (Servicing) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddiemac.com/app/guide/bulletin/2021-5>.

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,

A handwritten signature in black ink, appearing to read "Bill Maguire", with a long horizontal flourish extending to the right.

Bill Maguire

Vice President, Servicing Portfolio Management