



Bulletin 2021-11

Amended Senior Preferred Stock Purchase Agreement (PSPA)

Issued 03/31/2021

TO: Freddie Mac Sellers

SUBJECT: AMENDED SENIOR PREFERRED STOCK PURCHASE AGREEMENT (PSPA)

On January 14, 2021, the FHFA entered into a letter agreement with the U.S. Department of the Treasury (Treasury) to amend the Senior Preferred Stock Purchase Agreement (PSPA) between Freddie Mac and Treasury. Under the [amended PSPA](#), Freddie Mac is required to limit its purchases of single-family Mortgages secured by Investment Properties and second homes to 7%, in aggregate, of total single-family Mortgage acquisitions. To manage compliance with these restrictions, we will no longer purchase Mortgages secured by Investment Properties or second homes that are not Loan Product Advisor® Mortgages with Risk Class of Accept. Specifically:

- Effective for Mortgages with Settlement Dates on and after **May 1, 2021**, we will no longer purchase Manually Underwritten Mortgages secured by Investment Properties or second homes. The Guide will be updated with a future Bulletin to reflect this change.
- Effective **April 15, 2021**, all non-Loan Product Advisor Mortgages secured by Investment Properties or second homes submitted to Loan Quality Advisor® will receive a Risk Assessment result of "Yellow – High Likelihood of Caution". Investment Property and second home Mortgages that are resubmitted to Loan Quality Advisor's Risk Assessment service on or after April 15, 2021 will receive a "Yellow" Risk Assessment result regardless of the result of the previous submission and will be ineligible for sale to Freddie Mac.

Loan Quality Advisor feedback message updates will be provided at a later date.

Loan Selling Advisor® will be updated to prevent delivery of Mortgages that do not meet the above purchase eligibility requirements.

Enhanced Relief Refinance® Mortgages secured by second homes and Investment Properties are not impacted by these changes. Mortgages subject to requirements of [Guide Section 4304.5, *Additional underwriting requirements for certain Enhanced Relief Refinance® Mortgages*](#), must continue to be manually underwritten in accordance with the requirements of that section.

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