



Bulletin 2021-21

Deliveries of Second Home and Investment Property Mortgages

Issued 06/07/2021

TO: Freddie Mac Sellers

SUBJECT: DELIVERIES OF SECOND HOME AND INVESTMENT PROPERTY MORTGAGES

Effective for Mortgages with Settlement Dates on or after July 1, 2021

In [Guide Bulletin 2021-11](#), we announced requirements to manage our compliance with the amended Senior Preferred Stock Purchase Agreement (PSPA) between Freddie Mac and the U.S. Department of the Treasury. The amended PSPA limits Freddie Mac's purchase of single-family Mortgages secured by Investment Properties and second homes to 7%, in aggregate, of total single-family Mortgage acquisitions.

To complement those efforts, we have updated our requirements for Investment Property and second home Mortgages as follows: for the month of July 2021, if the Seller sells more than five Mortgages secured by second homes and/or Investment Properties, the Seller's deliveries of such Mortgages may not, by measure of aggregate UPB, exceed 6.5% of the total UPB for all Mortgages sold during that month. After July, on a monthly basis, if the Seller delivers more than five Mortgages secured by second homes and/or Investment Properties, deliveries of such Mortgages may not exceed 6% of the total UPB of all Mortgages sold.

Freddie Mac is measured for compliance with the 7% limit on a preceding 52-week period on a rolling basis, which began on January 14, 2021. While the past 52-week measurement period in 2020 met this limit, this change will help ensure our compliance with the PSPA and address the increasing concentration of these Mortgages in our acquisitions.

This restriction is intended to be temporary. Freddie Mac will monitor market volumes and the concentration of its acquisition of Investment Property and second home Mortgages. The percentage limit may be revised as deemed appropriate by Freddie Mac.

Guide impacts: [Guide Sections 4201.15](#) and [4201.16](#)

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

