



## Bulletin 2022-15

# Selling

Issued 07/06/2022

**TO: Freddie Mac Sellers**

**SUBJECT: SELLING UPDATES**

This Guide Bulletin announces:

- **Rent payment history**
  - Enhancements to Loan Product Advisor® to include a First-Time Homebuyer's rent payment history in its credit assessment – **July 10, 2022**
- **COVID-19 requirements**
  - An update on bulk transactions and a reminder on remaining Selling requirements and guidance related to COVID-19
- **Guide Form 1103, Supplemental Consumer Information Form (SCIF)**
  - The addition of Form 1103, Supplemental Consumer Information Form, to the Guide and new requirements regarding its inclusion in the Mortgage file – **March 1, 2023**
- **Manufactured Homes**
  - Greater specificity related to the eligibility of Manufactured Homes with Affordable Seconds®
  - New flexibilities allowing the sale of Manufactured Homes on leasehold estates to Freddie Mac
  - Elimination of the requirement for prior written approval for sale of Mortgages secured by a CHOICEHome® to Freddie Mac
- **Mortgage insurance**
  - Revisions and additional specificity related to eligible mortgage insurance premiums

## EFFECTIVE DATE

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

## RENT PAYMENT HISTORY INCLUDED IN LOAN PRODUCT ADVISOR CREDIT ASSESSMENT

**Effective for Mortgages with Loan Product Advisor initial submission dates on or after July 10, 2022**

In support of expanding sustainable homeownership, enhancements are being made to Loan Product Advisor to include a First-Time Homebuyer's rent payment history in its credit assessment, providing expanded opportunities for these Borrowers to become homeowners.

In order for a Borrower's rent payment history to be considered in the Loan Product Advisor assessment, the Seller must submit to Loan Product Advisor the current monthly rent amount paid by the Borrower and obtain a verification report of the depository account(s) from which the Borrower makes their rent payments. The verification report obtained by the Seller must either be produced by a third-party service provider designated by Freddie Mac or produced by Freddie Mac using the approved financial institution's data transmitted to Loan Product Advisor through an application programming interface.

Loan Product Advisor will retrieve and assess the verification report obtained by the Seller that includes the depository account(s) from which a Borrower pays rent to determine if it can identify a rent payment history. In instances where Loan Product Advisor identifies a history of recurring rent payments (a positive rent payment history), the history will be included in the Loan Product Advisor credit assessment when the following requirements are met:

- The Mortgage is a purchase transaction Mortgage secured by a Primary Residence
- At least one Borrower with a rent payment history must:
  - Have a usable Credit Score, as determined by Loan Product Advisor
  - Be a First-Time Homebuyer who intends to occupy the subject property as their Primary Residence, and

- Have been renting for a minimum of 12 months with a monthly rent payment of at least \$300 that is paid from the depository account(s) in the verification report obtained by the Seller

Sellers currently utilizing our Loan Product Advisor asset and income modeler offerings will be able to take advantage of this flexibility without additional set up. Otherwise, Sellers should reach out to their Freddie Mac representative for more details on how to get started.

We encourage Sellers to visit [Freddie Mac Learning](#) for available webinar training and resources.

## Feedback messages

New Loan Product Advisor [feedback messages](#) are available to support this enhancement.

Guide impact: [Section 5201.1](#)

## COVID-19 REQUIREMENTS: UPDATE ON BULK TRANSACTIONS AND REMINDER ON REMAINING SELLING REQUIREMENTS AND GUIDANCE

We continue to work closely with Fannie Mae under the guidance and direction of the FHFA to monitor and address the ongoing implications related to the coronavirus disease (COVID-19) and its impact on the Mortgage origination process.

### Limited eligibility of bulk transactions

In [Bulletin 2020-14](#), we temporarily suspended mortgage purchases through our bulk sales unit. With this Bulletin, we are notifying our Sellers that we will begin to buy selected bulk loan pools, at our discretion, with a focus on providing a channel for liquidity for smaller Sellers, subject to certain limitations. Freddie Mac will begin to bid bulk transactions at the end of the third quarter.

### Reminder of the remaining COVID-19 related requirements

We are reminding our Sellers that the following temporary COVID-19 related requirements remain in effect until further notice:

- The restriction limiting our purchase of Mortgages through the flow channel to those with Settlement Dates no more than six months after the Note Date or, for Construction Conversion and Renovation Mortgages, the Effective Date of Permanent Financing, with an exception for CHOICERenovation® Mortgages with Settlement Dates after completion of renovations. After completion of renovations, the Seller may sell the CHOICERenovation Mortgage to Freddie Mac provided the Settlement Date is no more than 12 months after the Note Date. (Note: Pursuant to [Section 4607.4\(a\)](#), all renovations must be completed within 365 days of the Note Date for a CHOICERenovation Mortgage.)
- The requirements and guidance published in [Bulletin 2020-8](#) and subsequently updated in [Bulletins 2020-27](#) and [2020-35](#) regarding verifying that the Borrower's business is open and operating within 20 Business Days prior to the Note Date
- Purchase and refinance eligibility requirements for Borrowers with existing Mortgages as announced in [Bulletin 2020-17](#)

### Guide updates

We are not updating the Guide to reflect any of the above requirements.

### Additional resources

We encourage Sellers to visit our [Single-Family COVID-19 resources page](#).

## FORM 1103, SUPPLEMENTAL CONSUMER INFORMATION FORM (SCIF)

### Effective March 1, 2023

As announced in our [May 3, 2022 Single-Family news article](#), at the direction of the FHFA, Freddie Mac and Fannie Mae (the GSEs) will require the Supplemental Consumer Information Form (SCIF) to be included in the Mortgage file for new conventional Mortgages sold to the GSEs with Application Received Dates on or after March 1, 2023. The SCIF has been added to the Guide as [Form 1103](#).

Although the GSEs previously communicated that the SCIF is not required, we are making this change to facilitate the collection of Borrower-preferred language, applicable homeownership education and housing counseling details. This will provide Borrowers with an additional method to inform lenders of their needs.

We are updating the Guide to reflect that a Record, as that term is defined in [Section 1401.2](#), of [Form 1103](#) must be present in the Mortgage file. The "Homeownership Education and Housing Counseling" section of the SCIF must be completed if required by the loan program or product for which the Borrower has applied. The lender must present the SCIF to the Borrower to provide a preferred

language, but the Borrower is not required to select any of the language options in the "Language Preference" section. As a result, there may be instances where the SCIF in the Mortgage file only includes the loan identifier information and the Borrower name.

The updated English version of the SCIF has been posted on each GSE's multi-language and Uniform Residential Loan Application (URLA) webpages. The five translated versions (Spanish, traditional Chinese, Vietnamese, Korean and Tagalog) of the form are published to the [Freddie Mac multi-language webpage](#) and the FHFA's [Mortgage Translations clearinghouse](#).

To support implementation of the SCIF, the GSEs have updated the following documents:

- [SCIF Instructions](#)
- [SCIF Rendering Design Options](#)
- [SCIF Numbered Form](#) – New – Provides cross reference to automated underwriting system specifications

## Loan Product Advisor impacts

Each field on [Form 1103](#) will be supported by the Loan Product Advisor Request File. Freddie Mac will update conditionality and add any missing data in our next Loan Product Advisor specification version targeted for publication in the third quarter of 2022. Loan Product Advisor already accepts Borrower Language and Homeownership Education/Housing Counseling data for those who want to implement the changes in advance of the next specification publication. Sellers are invited to begin submitting the updated data in the loan submission files at any time.

If you have questions about [Form 1103](#) or supporting documents, please review our [FAQs](#), visit the [Freddie Mac multi-language webpage](#) and [URLA webpage](#), contact your Freddie Mac representative or e-mail [ULAD@FreddieMac.com](mailto:ULAD@FreddieMac.com).

Guide impacts: [Form 1103 \(new\)](#) and [Section 3401.7](#)

## MANUFACTURED HOMES

### Manufactured Homes with Affordable Seconds eligibility

Previously, the Guide did not specifically address the eligibility of Manufactured Homes with Affordable Seconds. To provide clarification regarding requirements for these Mortgages and ease of reference, we are consolidating the following existing requirements for Manufactured Homes with Affordable Seconds in [Section 5703.3](#):

- The Manufactured Home must be a 1-unit Primary Residence
- The Mortgage must be a Home Possible Mortgage
- If the Manufactured Home is in a Condominium Project, the applicable Guide requirements in [Section 5701.5\(f\)\(1\) through \(f\)\(5\)](#) must be met

Note that, in accordance with [Guide Exhibit 19, Credit Fees](#), Mortgages with Affordable Seconds will not be assessed the Secondary Financing Credit Fee in Price.

Guide impacts: [Sections 4203.4](#), [4204.2](#) and [5703.3](#)

### Manufactured Homes on leasehold estates

To provide support to low- to moderate-income homebuyers and to support our Duty to Serve plan and affordable housing supply, we will permit the sale of Manufactured Homes on leasehold estates to Freddie Mac when there is demonstrated market acceptance and written approval is obtained.

Requirements for a Mortgage secured by a Manufactured Home on a leasehold estate are provided in new [Guide Chapter 5706](#) and include, but are not limited to, the following:

#### Manufactured Homes on leasehold estates requirements

<b>Manufactured Homes on leasehold estates requirements</b>	
Eligibility	<p>The Manufactured Home on a leasehold estate must be:</p> <ul style="list-style-type: none"> <li>▪ A one-unit dwelling comprised of multiple sections (a "multiwide Manufactured Home")</li> <li>▪ Located on a leasehold estate meeting the requirements of <a href="#">Chapter 5704</a>, and</li> <li>▪ Located in a ground lease community: <ul style="list-style-type: none"> <li>▪ For ground lease communities that are Condominium Projects, the Seller must comply with the Condominium Project requirements and warranties in <a href="#">Chapter 5701</a></li> <li>▪ For ground lease communities that are Planned Unit Developments (PUDs), the Seller must comply with the PUD requirements and warranties in <a href="#">Chapter 5702</a></li> </ul> </li> </ul> <p>A Manufactured Home on a leasehold estate must not include an ADU.</p>
Underwriting requirements	<ul style="list-style-type: none"> <li>▪ The Mortgage must be assessed through Loan Product Advisor and be an Accept Mortgage</li> <li>▪ The maximum loan-to-value (LTV)/total LTV (TLTV)/Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratios for Mortgages secured by Manufactured Homes on leasehold estates are 95%/95%/95%</li> </ul>
Eligible transactions	<ul style="list-style-type: none"> <li>▪ Purchase transactions</li> <li>▪ "No cash-out" refinance transactions</li> </ul>

### ***Freddie Mac prior approval***

Although the eligibility requirements are provided in the Guide, Sellers must obtain Freddie Mac's written approval before selling Mortgages secured by a Manufactured Home on a leasehold estate to Freddie Mac. Sellers should contact their Freddie Mac representative or the Customer Support Contact Center at 800-FREDDIE for more information.

Guide impacts: [Chapter 5706 \(new\)](#), [Sections 4602.5](#), [4602.7](#), [5703.2](#), [5703.3](#), [5703.9](#) and [5704.1](#)

### **Freddie Mac CHOICEHome**

Previously, Sellers were required to obtain Freddie Mac's written approval before selling Mortgages secured by a CHOICEHome to Freddie Mac. To provide Sellers with additional flexibility, we have updated [Section 5703.9](#) to eliminate the requirements for prior written approval for sale of such Mortgages.

Guide impacts: [Sections 4502.5](#) and [5703.9](#)

### **MORTGAGE INSURANCE PREMIUMS**

We have updated the Guide to provide additional detail related to the types of eligible mortgage insurance premiums. This includes the addition of a new split-premium option for Borrower-paid financed mortgage insurance, which provides the option for Borrowers to make an initial up-front premium payment at closing and an ongoing monthly premium paid from accumulated escrow deposits.

Guide impact: [Section 4701.2](#)

### **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 2022-15 (Selling) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddie.mac.com/app/guide/bulletin/2022-15>.

## **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