



## Bulletin 2022-17

# Servicing

Issued 08/10/2022

**TO: Freddie Mac Servicers**

**SUBJECT: SERVICING UPDATES**

This Guide Bulletin announces:

- **Servicer-maintained fair lending data elements**
  - A new requirement for Servicers to maintain certain [fair lending data elements](#) – **March 1, 2023**
- **Partial releases, easements and acquisitions**
  - Updated requirements of the conditions for Servicers to [approve a partial release or grant an easement](#)
- **Updates from Bulletin 2022-16**
  - An update to the requirements for [fidelity insurance](#) coverage for subservicers
  - A clarification of Servicer's responsibilities in the [MERS® eRegistry](#).
  - Additional flexibilities through the [Collateral Pledge Agreement \(CPA\)](#).

## EFFECTIVE DATE

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

## SERVICER-MAINTAINED FAIR LENDING DATA ELEMENTS

**Effective for all Mortgages originated on or after March 1, 2023, but Servicers may implement immediately**

At the direction of the FHFA and in coordination with Fannie Mae, Servicers must maintain the following fair lending data elements provided they were obtained during the origination process:

- Race of Borrower(s)
- Age of Borrower(s)
- Ethnicity of Borrower(s)
- Gender of Borrower(s)
- Preferred language of Borrower(s)

These data elements must be stored in a format that can be searched, queried and transferred.

For each Transfer of Servicing on or after March 1, 2023, if the fair lending data was obtained during the origination process and is available, the Transferor Servicer must transmit the fair lending data listed above to the Transferee Servicer. As of the Effective Date of Transfer, the Transferee Servicer must begin to maintain this data in accordance with the above requirements.

Additionally, Servicers may, but are not required to, update these data elements in the event of a future Transfer of Ownership or assumption of the Mortgage.

Guide impacts: [Sections 1301.2, 7101.8 and 8101.8](#)

## UPDATED PARTIAL RELEASES, EASEMENTS AND ACQUISITIONS

[Section 8401.1](#) states that a Servicer may receive a request to release part of the Mortgaged Premises as security for the Mortgage (a partial release) or a request to approve the granting of an easement on a portion of the Mortgaged Premises. A partial release may be initiated at the Borrower's request or as a result of some other action such as a condemnation or a taking of the property by eminent domain.

In response to industry feedback, we have updated the condition that the Borrower must pay to reduce the UPB of the Mortgage by an amount sufficient to maintain the same loan-to-value (LTV) ratio in certain instances, as described below. With this change, when the Borrower is required to make a payment to reduce the UPB of the Mortgage, the resulting LTV ratio (post-easement or partial release) must be the higher of i) the current LTV ratio (pre-easement or partial release) or, ii) equal to 60%. This change provides greater flexibility for both the Servicer and the Borrower when evaluating the Borrower for a partial release or easement.

See below for the conditions, as found in [Section 8401.1](#), for when a Servicer may approve a partial release or grant an easement, including the updated change described in the above paragraph.

The Servicer, under its delegated authority, may approve a partial release or grant an easement provided the following conditions are met:

- The Borrower's monthly Mortgage payment is current at the time of the request and there is no change in the expectation that the Borrower can continue to make the monthly payment
- The Servicer has received written approval of the FHA, VA, RHS or MI and all superior lienholders, if applicable
- At least 12 months have passed since the Origination Date, and
- If either of the situations and the corresponding actions in the chart below are met:

Situation	Action
<p>If:</p> <ul style="list-style-type: none"> <li>▪ The current LTV ratio of the Mortgage based on the value obtained at origination (as described in <a href="#">Section 4203.1</a>) is less than 60%, and</li> <li>▪ The consideration the Borrower receives for the partial release or easement is not greater than 5% of the original value (this would include situations in which the Borrower receives no consideration), and</li> <li>▪ The transaction is arm's-length</li> </ul>	<p>Then:</p> <ul style="list-style-type: none"> <li>▪ An appraisal is not required</li> <li>▪ The Borrower is not required to apply the consideration received for the partial release or easement to reduce the UPB of the Mortgage</li> </ul>
<p>If:</p> <ul style="list-style-type: none"> <li>▪ The current LTV ratio of the Mortgage based on original value is equal to or greater than 60%, or</li> <li>▪ The consideration the Borrower receives for the partial release or easement is greater than 5% of the original value or no consideration is received</li> </ul>	<p>Then:</p> <p>Before the easement or partial release is granted, the Servicer must order a new appraisal with interior and exterior inspection that provides current and estimated after release values and:</p> <ul style="list-style-type: none"> <li>▪ If based on the estimated value pre-release the LTV is greater than 60%, the Borrower must reduce the UPB of the Mortgage in an amount sufficient to create a post-release/easement LTV ratio, as determined by the appraisal, that is the higher of the current LTV ratio or 60%, or</li> <li>▪ If based on the estimated value after the release the LTV ratio is less than or equal to 60%, the Borrower is not required to reduce the UPB of the Mortgage</li> </ul>

Guide impact: [Section 8401.1](#)

## UPDATES FROM BULLETIN 2022-16

### Fidelity insurance coverage calculation requirements

Based on Seller/Servicer requests and feedback, we have changed the calculation of the required fidelity insurance coverage amount. The fidelity insurance coverage amount is now calculated based upon the Mortgages serviced by the Seller/Servicer. Subservicers are no longer required to obtain fidelity insurance coverage for Mortgages that they subservice for others or Mortgages owned by other investors. No changes have been made to the errors & omissions (E&O) requirements; however, Seller/Servicers' E&O coverage may be impacted, as the E&O requirement is based off fidelity coverage amount.

The Annual Certification Report, which confirms the required fidelity coverage amount, will be updated in the Unified Counterparty Experience® (UCount®) in November 2022. Seller/Servicers that are impacted by this change and are concerned about the accuracy of their Annual Certification Report should contact [Institutional\\_Eligibility@FreddieMac.com](mailto:Institutional_Eligibility@FreddieMac.com) for further instructions prior to submitting their Annual Certification Report.

Guide impact: [Section 2101.6](#)

### **Servicer MERS eRegistry requirement**

We have updated the Guide to clarify that the Master Servicer can use its Servicing Agent's MERS eRegistry and eDelivery participation to service eMortgages.

Seller/Servicers should review our updated [FAQs](#) for additional information.

Guide impact: [Section 1402.9](#)

### **Guide Exhibit 104, Collateral Pledge Agreement**

We have updated [Exhibit 104](#) to allow for the electronic signature and transmission of an executed Collateral Pledge Agreement (CPA).

Additionally, to provide greater flexibility, we now permit CPA pledgors to deliver collateral up to five Business Days after the effective date of the CPA. Previously, collateral was required by the effective date of the CPA.

Guide impact: [Exhibit 104](#)

### **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 2022-17 (Servicing) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddie.mac.com/app/guide/bulletin/2022-17>.

### **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,

Bill Maguire  
Vice President, Servicing Portfolio Management