

Bulletin

TO: Freddie Mac Sellers

October 2, 2024 | 2024-13

SUBJECT: SELLING UPDATES

This Guide Bulletin announces:

- **CHOICERenovation® and CHOICEReno eXPress® Mortgages**
 - The [refactoring of Guide Chapter 4607](#)
 - The introduction of [Loan Status HubSM](#) – **November 2, 2024**
 - Updates to [CHOICERenovation Mortgages](#) – **November 25, 2024**
 - New [delivery requirements](#) – **March 31, 2025**
- **Asset and income modeler**
 - An enhancement to [automated employment assessment](#) with Loan Product Advisor® – **October 14, 2024**
- **Duty to Serve Credit Fee Cap**
 - Pricing pipeline coverage for Mortgages originated by a [Small Financial Institution](#) – **January 1, 2025**
- **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.

CHOICERENOVATION AND CHOICERENO EXPRESS MORTGAGES

Refactoring of Chapter 4607

To improve the ease of use of our Guide, Chapter 4607 has been refactored to enhance readability; cross-references reflecting these changes have been updated throughout the Guide. No existing requirements were changed as a result of this new formatting, although the new term “CHOICERenovation In Progress” was introduced. “CHOICERenovation In Progress” identifies CHOICERenovation Mortgages with renovations that are incomplete as of the Settlement Date and are delivered pursuant to Section 4607.1(b).

Guide impacts: Sections 4301.4, 4606.8, 4607.1 through 4607.17, 5605.8, 6302.16, 6302.43, 7101.4, 8104.6, Exhibit 40 and Glossary

Loan Status Hub

Effective November 2, 2024

We are introducing Loan Status Hub, a new Freddie Mac system available to Sellers through Freddie Mac Loan Advisor®, as a single source of communication for CHOICERenovation In Progress and CHOICEReno eXPress Mortgages. Starting November 2, 2024, Sellers must use Loan Status Hub to:



- Submit project completion documents
- Request extensions when circumstances prevent the completion of the renovations in compliance with the timelines provided in the Guide
- Submit requests to remove recourse

Loan Status Hub will replace CHOICERenovation@FreddieMac.com. Sellers must not use this e-mail address on or after November 2, 2024; the mailbox will not be monitored.

Loan Status Hub will identify the required Completion Date and, if applicable, the approved extension date.

For access to Loan Status Hub, the Seller must call their Freddie Mac representative or the Customer Contact Center at 800-FREDDIE.

Guide impacts: Sections 4607.1, 4607.9, 4607.14 and 4607.17

CHOICERenovation Mortgage updates

Effective for Mortgages with Settlement Dates on or after November 25, 2024

We conducted Seller outreach to identify barriers encountered by Sellers in originating CHOICERenovation Mortgages and are updating the Guide to address a number of these barriers. Guide updates include:

- Allowing outstanding liens related to the renovations to remain on the Mortgaged Premises after completion of the renovations as long as the CHOICERenovation Mortgage remains a valid First Lien (e.g., mechanics liens that are subordinate to the CHOICERenovation Mortgage are permitted)
- Providing requirements for CHOICERenovation In Progress and CHOICEReno eXPRESS Mortgages secured by Primary Residences where the Borrower rents another property as their principal domicile during the renovations, including when to include the temporary rental payment in the debt payment-to-income ratio calculation
- Updating requirements for a Borrower who is a licensed and insured contractor and is also completing the renovations
- Adding specificity regarding extensions for completion of renovations

Guide impacts: Sections 4607.1, 4607.4, 4607.5 and 4607.8 through 4607.10

Delivery requirements

Effective for Mortgages with Settlement Dates on or after March 31, 2025, but Sellers are encouraged to implement as early as November 25, 2024

We are introducing a new Loan Program Identifier that supports the updates to CHOICERenovation Mortgages. The ULDD Data Point *Loan Program Identifier* (Sort ID 404) value “CHOICERenovation In Progress” will be available for Mortgages delivered on or after November 25, 2024. Sellers that are operationally ready to deliver the new CHOICERenovation Loan Program Identifier may do so beginning November 25, 2024. Sellers that are not operationally ready to use the new Loan Program Identifier may continue to deliver the existing Loan Program Identifier value “CHOICERenovation Mortgage With Recourse” until March 31, 2025, after which the value will not be accepted at delivery. To remain aligned with Loan Selling Advisor®, Loan Product Advisor will be updated to align with the loan delivery CHOICERenovation Loan Program Identifiers.

Guide impact: Section 6302.43

AUTOMATED EMPLOYMENT ASSESSMENT USING LOAN PRODUCT ADVISOR

Effective for Mortgages submitted to Loan Product Advisor on or after October 14, 2024

We are enhancing automated employment assessment with Loan Product Advisor, which is part of asset and income modeler (AIM). This enhancement will enable the Seller to use a Borrower’s account and employed income data for Loan Product Advisor to determine whether the Seller is eligible for relief from enforcement of certain representations and warranties related to the Borrower’s current employment. Eligibility for relief from enforcement of representations and warranties related to the Borrower’s employment will be included on the Feedback Certificate.



Guide impacts: Sections 1301.11, 3402.5, 5102.4, 5302.2, 5901.3 through 5901.5, 5902.1, 5902.3 through 5902.5, 5903.1, 5903.3 through 5903.5, 5904.1, 5904.3 through 5904.5 and 5905.1 through 5905.5

Feedback messages

Loan Product Advisor will be updated to incorporate the changes related to AIM, including feedback message updates. For details on the updated feedback messages, please access [Loan Advisor Resources & Learning](#).

Additional resources

We encourage Sellers to access our [AIM training resources](#) to learn more about how to automate the employment assessment.

DUTY TO SERVE CREDIT FEE CAP – SMALL FINANCIAL INSTITUTIONS

Effective for Mortgages with Settlement Dates on or after January 1, 2025

In July 2024, FHFA updated its Small Financial Institutions data to include the 2025–2027 Duty to Serve Plan Cycle file. This file will be effective for Mortgages eligible for the Duty to Serve Credit Fee Cap with Settlement Dates on or after January 1, 2025. Refer to Exhibit 19A, *Credit Fee Cap Eligibility Criteria*, for eligibility criteria related to the Credit Fee Caps described in Exhibit 19, *Credit Fees*.

As a reminder, as announced in Bulletin 2024-6, Freddie Mac uses ULDD Data Points *Party Role Type* (Sort ID 628) and *Party Role Identifier* (Sort ID 627) for the Loan Origination Company when determining whether a Mortgage meets the requirements of FHFA’s definition of Small Financial Institutions and whether the Mortgaged Premises is located in a Rural Area. In Loan Selling Advisor, the screen name for party role identifier appears as “Loan Origination Company Identifier”.

Pricing pipeline coverage

If a Mortgage was originated by a Small Financial Institution that is no longer on FHFA’s 2025–2027 Duty to Serve Plan cycle file, Freddie Mac will provide pricing pipeline coverage. No additional delivery instructions specific to this Duty to Serve Credit Fee Cap pricing pipeline coverage are required.

A Mortgage is eligible for the Duty to Serve Credit Fee Cap pricing pipeline coverage if the:

- Mortgage is eligible for the Duty to Serve Credit Fee Cap, in accordance with Exhibit 19A
- Application Received Date is on or before December 31, 2024
- Settlement Date is on or after January 1, 2025 and on or before March 31, 2025
- Mortgage was originated using the 2020 Small Financial Institutions data file, as described in the FHFA Small Financial Institutions data for the 2022-2024 Duty to Serve plan cycle, as announced in Bulletin 2022-22
- Small Financial Institution that originated the Mortgage is not included in the FHFA Small Financial Institutions data for the 2025–2027 Duty to Serve plan cycle

With this update, there is no change to the Duty to Serve Credit Fee Cap Eligibility Criteria, as described in Exhibit 19A, or to the pricing associated with the Duty to Serve Credit Fee Cap, as described in Exhibit 19.

ADDITIONAL GUIDE UPDATES

Acknowledgment Agreements

Effective October 9, 2024

To streamline negotiations and increase transparency with Seller/Service providers that enter into Acknowledgment Agreements with Freddie Mac in connection with Servicing Contract Rights financing transactions, we are implementing the following updates:

- Adding two separate Acknowledgment Agreement Incorporated Provisions, each of which applies to a distinct type of financing transaction:



- Exhibit 33C, *Acknowledgment Agreement (Cashflow) Incorporated Provisions*
- Exhibit 33D, *Acknowledgment Agreement (Combination) Incorporated Provisions*
- Renumbering current Exhibit 33C, *[Form of] Limited Power of Attorney ([Secured Party][Servicer])*, and Exhibit 33D, *[Form of] Limited Power of Attorney ([Servicer])*, as Exhibits 33E and 33F, respectively
- Adding more specificity to existing language
- Updating additional exhibits to be consistent with other Guide provisions

Guide impacts: Sections 1101.2, 3603.1, 9701.23, Exhibits 30, 31, 33A, 33B, 33C, 33D, 33E, 33F, 103 and Glossary

ULDD Data Points

Delivery instructions for HeritageOne® Mortgages

We updated the delivery instructions for HeritageOne Mortgages to include the valid value “Fee Simple” for ULDD Data Point *Property Estate Type* (Sort ID 63).

Guide impact: Section 6302.50

Notes update for ULDD Data Point Price Lock Datetime

We updated the notes for ULDD Data Point *Price Lock Datetime* (Sort ID 311) to align with guidance for the HMDA regulation.

Guide impact: Section 6302.5

Remote Online Notarization

We have updated Exhibit 48, *Permitted States for Remote Online Notarization*, to include Maine in the permitted States for Remote Online Notarization (as defined in Section 1401.2).

Guide impact: Exhibit 48

Refactoring of Chapters 4605 and 5303

Chapters 4605 and 5303 have been refactored to enhance readability and improve the usability of the Guide. No requirements were changed as a result of this new formatting, although cross-references to the refactored chapters have been updated.

Guide impacts: Sections 4302.5, 4605.1, 5301.1 through 5301.3, 5302.1 through 5302.4, 5303.1 through 5303.3, 5304.1, 5305.2, 5901.2, 5904.2 and Exhibit 25

Additional Chapter 5304 reformatting changes

Effective for Mortgages with Note Dates on or after November 8, 2024

Two additional sections are being updated as a result of the reformatting of Chapter 5304 announced in Bulletin 2024-10. No requirements are being changed as a result of this new formatting.

Guide impacts: Sections 3402.7 and 5903.5

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 2024-13 (Selling) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddiemac.com/app/guide/bulletin/2024-13>.



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 "K. Kauffman", located below the "Sincerely," text.

Kevin Kauffman

Senior Vice President, Single-Family Seller Engagement