

Bulletin

TO: Freddie Mac Sellers

November 6, 2024 | 2024-15

SUBJECT: SELLING UPDATES

This Guide Bulletin announces:

- **Appraisal Market Area analysis**
 - Updated requirements related to the [Market Area analysis](#) of the appraisal report – **February 4, 2025**
- **Green MBS**
 - New requirements for [Green MBS](#) issued through the Guarantor program – **January 1, 2025**
- **Authorized changes**
 - Updates related to [authorized changes](#) to the Limited Purpose Execution language for Security Instruments
- **Refactoring**
 - The [refactoring](#) of Guide Chapters 4606, 5603 and 5606

EFFECTIVE DATE

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

APPRAISAL MARKET AREA ANALYSIS

Effective for Mortgages with Application Received Dates on or after February 4, 2025, but Sellers are encouraged to implement immediately

To promote consistency and transparency in appraisal reports, Freddie Mac, in collaboration with Fannie Mae, is updating our requirements related to the Market Area analysis of the appraisal report and implementing standardized definitions for the terms “Neighborhood” and “Market Area.” The Guide is being updated to include these new definitions in the Glossary.

Additional guidance and requirements are included for the following:

- Selection of comparable sales
- Establish a minimum time frame (12 months) from which the overall market trend must be derived,
- Identify that the overall market trend may be different from the adjustments applied to individual comparable sales,
- Include an illustration of the methodology used to determine specific comparable sale time adjustments for changes in market conditions, and
- Include a new requirement that the appraiser must report the market analysis that supports both the indicated overall market trend and market derived time adjustments for changes in market conditions

Guide impacts: Sections 3402.5, 4201.18, 4406.6, 4502.8, 4504.9, 5601.1, 5601.2, 5601.5, 5602.1, 5602.3, 5603.1, 5603.3, 5603.4, 5604.2, 5605.1 through 5605.7, 5605.9, 5701.8, 5703.3, 5705.8, Exhibit 44 **(new)** and Glossary



GREEN MBS

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

We are establishing requirements for Green MBS issued through the Guarantor program. In accordance with these requirements, Sellers will be able to form Green MBS, which must be composed entirely of Green MBS-eligible collateral. Green MBS will be considered Green MBS issued pursuant to our Green MBS framework. To qualify for Green MBS, all Mortgages must be identified with ULDD Data Point *Investor Feature Identifier* (Sort ID 368) valid value "J99" and must be delivered under a green contract.

Guide impacts: Sections 6202.3, 6302.3, Exhibit 34 and Glossary

LIMITED PURPOSE EXECUTION AUTHORIZED CHANGES

We have updated Exhibit 5A, *Authorized Changes to Notes, Riders, Security Instruments and the Uniform Residential Loan Application*, to revise the Limited Purpose Execution authorized changes language for use in all Security Instruments and to remove the Limited Purpose Execution authorized changes language for the Illinois Mortgage and Wisconsin Mortgage Security Instruments.

Guide impact: Exhibit 5A

REFACTORED OF CHAPTERS 4606, 5603 AND 5606

Chapters 4606, 5603 and 5606 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 Chapter 4606 have been updated.

Guide impacts: Sections 3401.30, 4203.1, 4301.4, 4301.5, 4606.1 through 4606.6, 4607.16, 5603.1 through 5603.6, 5605.8, 5606.1 through 5606.3, 6302.16, 6302.23, 7101.4 and 8104.6

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 2024-15 (Selling) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddiemac.com/app/guide/bulletin/2024-15>.

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,

Kevin Kauffman

Senior Vice President, Single-Family Seller Engagement