

# Document Delivery and Processing Procedures

## Chapter 3

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# Document Delivery and Processing Procedures

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## Background

Document Custodians must verify certain information contained in the Notes and related documents for the Mortgages sold to Freddie Mac and certify those verifications and that the documents are original. We refer to this process as “certification” or “certifying” the Notes.

This chapter details our requirements for certifying Notes delivered to Freddie Mac, including those sold with a Concurrent Transfer of Servicing. For information on Subsequent Transfers of Servicing, see [Guide Section 7101.1](#) and Chapter 5 of this Handbook. Unless the Document Custodian receives a copy of the Purchase Documents between the Seller/Servicer and Freddie Mac, (including the first page with the Seller/Servicer number, the pages with the exceptions detailed, and the signature pages), the Document Custodian must not deviate from the requirements of this Handbook or the Guide.

The information in this chapter is intended to help you fulfill your responsibilities as an approved Document Custodian. This Handbook is a reference tool that complements Freddie Mac’s Single-Family Seller/Servicer Guide. It does not replace the requirements in the Guide, and in the event of a conflict, the Guide controls.

Before you may accept a delivery of Notes from a Seller, Freddie Mac must approve you as a Document Custodian for the Servicer that will service the Mortgages. Refer to Chapter 1 of this Handbook for additional information on becoming an approved Document Custodian.

Sellers may use independent delivery agents, particularly for bulk or seasoned loan portfolio sales. If such an agent contacts you or you receive loan data with respect to the Mortgages from a third party, you must ask to see written evidence of its relationship with the Seller, such as a copy of the first and signature pages of their contract with the Seller or the paragraph in the Freddie Mac Master Commitment that recognizes the agency arrangement. You may rely on the representations of such an agent as if the Seller made them, as the Seller remains liable for the accuracy and completeness of all data. Contact Freddie Mac if you have any questions regarding delivery by an agent. See [Guide Directory 9](#).

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## Documents to be Verified

The Seller must deliver to you, as the approved Document Custodian, the Note, any applicable assignments, and the related documentation for each Mortgage it is selling to Freddie Mac. The Form 1034E or Note Delivery Cover Sheet will accompany each delivery of Notes. You may also receive documents that provide additional Note terms, clarify legal terms, and/or complete the required documentation for a particular Mortgage, such as:

- Addendum to the Note
- Agreement to Convert
- Assumption Agreement
- Modification Agreement
- Power of Attorney
- Name Affidavit
- Signature Affidavit

An Allonge, because it is physically a part of the Note, is not technically a supplemental document, and endorsements made on the Allonge, must be delivered as part of the Note.

## Verification Requirements

Upon receipt of a delivery of Notes from the Seller, you must

- Verify the data. The information on each Note must match the corresponding information in the selling system or applicable Form 1034.
- Verify the Note. The Note must be original and complete. The Note must also be originated on a Fannie Mae/Freddie Mac, a Freddie Mac, or a Fannie Mae Uniform Instrument. See <http://www.freddiemac.com/uniform/> for a complete list of current Uniform Instruments.
- Verify the chain of endorsements (Note).
- Verify the chain of assignments (security instrument).

Once you have verified the accuracy of the data and that the documents comply with our requirements, you may certify the loan. Certification is complete in the selling system when you

- Indicate in the selling system that you have certified individual loans or loans in batch; or
- Have submitted proposed data corrections to the Seller, and the Seller accepts the proposed changes.

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## Data Verification

The table below lists the data elements requiring verification for all Notes. You must compare these data elements in the selling system to the information contained on each applicable Note.



Freddie Mac systems and publications are not always consistent in their terminology. In the table below, we list the various terms for the same data elements in the following order: selling system (Form 1034E).



The parenthetical numbers in the data elements column correspond to the numbered boxes on Job Aids 1-3.



Freddie Mac does not require that the Freddie Mac loan number be affixed to the face of the Note in most circumstances. See [Guide Sections 2202.4](#) and [8107.2\(a\)](#).

## ***Alternative Document Custodian Verification Process***

When a Seller submits the Notes and assignments to the Document Custodian prior to receiving the associated electronic data that will be provided to Freddie Mac, the alternative verification process described below will be deemed to satisfy the Note certification requirements:

- (A) Prior to delivering a Note to the Document Custodian, Seller captures all Note information that the Document Custodian is required to certify and transmits such data ("Seller's loan data") electronically to the Document Custodian;
- (B) Upon receiving a Note, the Document Custodian independently verifies that the information on the Note matches Seller's loan data;
- (C) Upon receipt of the data delivery in the selling system, the Document Custodian conducts an electronic comparison of Seller's loan data previously verified by the Document Custodian, to the selling system data (except that the Document Custodian is not required to verify the Seller/Service loan number). Based on this comparison, the Document Custodian notifies the Seller of any issues and enters the appropriate certification status in the selling system to complete the certification, once any issues are resolved; and
- (D) The Document Custodian has computer and other systems to verify that:
  - (i) The Seller's loan data includes all the data fields that are included in the selling system; and
  - (ii) The Seller's loan data as of the Delivery Date is the same as the selling system data used to certify the Mortgage;

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- (iii) For each Living Trust Note, the Seller's loan data includes the delivery of the Primary and any Secondary Non-Individual Borrower Type and the Primary and any Secondary Non-Individual Name. The Document Custodian must enhance its alternative verification process such that Living Trust loan data imported from the selling system is recognized and properly compared to loan data contained in the Document Custodian's system. Until such enhancements are implemented, the Document Custodian must use process "work-arounds" to support the certification of Living Trust Notes. For additional information regarding the certification of Living Trust Notes, please see Chapter 3, or contact Freddie Mac. See [Guide Directory 9](#).

### Uniform Loan Delivery Dataset (ULDD)

At the direction of our regulator, the Federal Housing Finance Agency, Freddie Mac works with Fannie Mae on the Uniform Mortgage Data Project, an initiative to enhance the accuracy and quality of loan data each GSE requires at loan delivery.

The Uniform Loan Delivery Dataset (ULDD) based on the MISMO® Version 3.0 Reference Model (MISMO v3.0) defines the loan data points that must be delivered for each Mortgage and requires loan data to be delivered in the MISMO v3.0 format.



In 2012, the Freddie Mac selling system was updated with the new ULDD data field names and layout. To assist you, we prepared the following ULDD table, which lists all the data elements required for certification of Notes. Each of the data elements is expressed by the:

- Certification data element as it appeared in the selling system and the Form 1034 prior to April 23, 2012,
- Corresponding selling system screen ULDD name as it now appears, and
- Corresponding MISMO data point name. For each data element in the table, we have included the Freddie Mac verification instructions.


The parenthetical numbers in the first column of the table correspond to the numbered boxes on Job Aids 1-4 of Appendix A. Note that Freddie Mac no longer requires the Freddie Mac loan number be affixed to the face of the Note in most circumstances. See [Guide Sections 2202.4, 6301.3](#) and [8107.2\(a\)](#).

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## ULDD Table

ULDD as of April 23, 2012			
Old Certification Data Element Name	Selling System Screen Name	MISMO Data Point Name	Compare to Note
Freddie Mac loan number (1)	Freddie Mac loan number	InvestorLoanIdentifier	Nine-digit loan number, provided to the Seller by Freddie Mac (must appear in the upper right-hand corner of each Note, if required). If the Freddie Mac loan number is on the Note, it must be verified.
Note Date (2)	Note Date	NoteDate	The original Note Date that appears on the first page of the Note.
Property street (3)	Street Address	AddressLineText	<p>Street address for the Mortgaged Premises as indicated on the Note <b>may</b> include:</p> <ul style="list-style-type: none"> <li>• Street type (e.g., Circle; Court; Avenue; Road; Boulevard),</li> <li>• Unit number, if applicable, and</li> <li>• Direction, if applicable (e.g., 123 East Main Street, 1000 Connecticut Avenue, NW).</li> </ul> <p>Standard or obvious abbreviations for street type and direction are acceptable.</p> <p> Misspelled street designations are acceptable, provided that the intended word is still apparent. For example:</p> <ul style="list-style-type: none"> <li>• "Road" spelled as "Raod";</li> <li>• "Street" spelled as "Street"; or</li> <li>• "Circle" spelled as "Cricle"</li> </ul> <p> For certain Mortgages, such as Construction to Permanent Mortgages, the street address on the Note may not be complete. Enter the discrepancy in the selling system, and contact the Seller for documentation confirming the street address to certify the Note.</p>

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ULDD as of April 23, 2012			
Old Certification Data Element Name	Selling System Screen Name	MISMO Data Point Name	Compare to Note
Property city (4)	City Name	CityName	City or town in which the Mortgaged Premises is located indicated on the Note.
Property state (5)	State Code	StateCode	State in which the Mortgaged Premises is located indicated on the Note.
Property zip code (6)	Postal Code	PostalCode	<p>Postal Zip Code of the Mortgaged Premises indicated on the Note.</p>  <p>Zip Codes may change. If a Zip Code has been altered on the Note, it is not necessary for the Borrower to initial that change. If the Zip Code delivered in the selling system does not match the Zip Code on the Note, you may certify the Note if the U.S. Postal Service website (<a href="http://zip4.usps.com/zip4/welcome.jsp">http://zip4.usps.com/zip4/welcome.jsp</a>) confirms that the Zip Code delivered is correct for the property address. We recommend keeping a printout of the web page in the Note file</p>
Original Loan Amount (7)	Note Amount	NoteAmount	Original principal amount indicated on the Note. For Mortgages that have been modified or converted prior to delivery, the loan amount as of the modification or conversion. Our systems do not permit delivery of cents in this field. Sellers are instructed to omit cents. Document Custodians may certify loans where the loan amount on the Note differs from the loan amount on the Form 1034 by no more than one dollar. Dollar amounts in the selling system may be rounded up to the next dollar.
Original Interest Rate (8)	Note Rate Percent	NoteRatePercent	The original interest rate indicated on the Note.
Original P&I Payment Date (9)	Scheduled First Payment Date	ScheduledFirstPaymentDate	The Due Date of the first full principal and interest (P&I) payment indicated on the Note. For Mortgages that have been modified or converted prior to delivery, the due date of the first full P&I payment of the modified Mortgage as indicated in the modification or conversion agreement.
Original Maturity Date (10)	Loan Maturity Date	LoanMaturityDate	The date of the final P&I payment indicated on the Note.

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ULDD as of April 23, 2012			
Old Certification Data Element Name	Selling System Screen Name	MISMO Data Point Name	Compare to Note
Original P&I Payment (11)	Initial Principal and Interest Payment Amount	InitialPrincipalAndInterestPaymentAmount	The full monthly principal and interest (P&I) payment indicated on the Note. For modified or converted Mortgages, the monthly P&I payment in effect after the modification or conversion as specified in the modification or conversion agreement.
Borrower name (12)	First Name	FirstName	First name, last name, middle name or initial of the first Borrower indicated on the Note.
	Last Name	LastName	
	Middle Name	MiddleName	
		BorrowerClassificationType	
Co-Borrower name (13)	First Name	FirstName	First name, last name, middle name or initial of Co-Borrower(s) indicated on the Note.  Effective 3/1/2016, certification of the first five Borrowers will be mandatory.
	Last Name	LastName	
	Middle Name	MiddleName	
		BorrowerClassificationType	
Modification/ Conversion Date (22)	Loan Modification Effective Date	LoanModificationEffectiveDate	<ul style="list-style-type: none"> <li>For modified or converted Mortgages, the date on which the modification or conversion was effective.</li> <li>For one closing construction to permanent Mortgages, the due date of the first P&amp;I payment of the permanent Mortgage.</li> <li>For Construction Conversion and Renovation Mortgages using Integrated Documentation, the Due Date of the first principal and interest payment of the Permanent Financing.</li> </ul>
	Latest Conversion Effective Date	LatestConversionEffectiveDate	
Convertible (21)	Convertible Indicator	ConvertibleIndicator	Indicates whether the Mortgage has a feature that allows the adjustable interest rate to convert to a fixed rate. If the ARM is a Convertible ARM, the option to convert will be stated on the Note.
First rate adjustment date (14)	First Rate Adjustment Effective Date	PerChangeRateAdjustmentEffectiveDate	The First Change Date indicated on the Note.



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ULDD as of April 23, 2012			
Old Certification Data Element Name	Selling System Screen Name	MISMO Data Point Name	Compare to Note
Index Source (15)	Index Source Type	IndexSourceType	The source of the fluctuating economic indicator specified in the Note, the value of which is used to adjust the Note Rate periodically, such as the United States Treasury or London Interbank Offered Rate (LIBOR).
Index Lookback Days (16)	Interest and Payment Adjustment Index Lead Days Count	InterestAndPayment AdjustmentIndexLead DaysCount	<p>The number of days between the Interest Change Date and the date the Index value is determined. Expressed in the Note as the number of days before the Interest Change Date.</p>  <p>For most ARMs, the Lookback Period will be 45 days.</p>
Note Margin (17)	Margin Rate Percent	MarginRatePercent	Percentage added to the Index value to determine the new interest rate (Note Rate) on each adjustment date.
Interest Rate Rounded (18)	Interest Rate Rounding Percent	InterestRateRounding Percent	The percentage to which the interest rate (Note Rate) will be rounded on each Interest Date. This amount will be .125% for all ARMs, unless another percentage or calculation is authorized in the Purchase Documents.
Periodic Interest Rate Cap (19)	Subsequent Rate Adjustment Maximum Increase Rate Percent	PerChangeMaximum IncreaseRatePercent	The maximum increase in the interest rate (Note Rate) on any Interest Change Date after the first Interest Change Date. Expressed as a percentage in the Note.
		AdjustmentRuleType	
	Subsequent Rate Adjustment Maximum Decrease Rate Percent	PerChangeMaximum DecreaseRatePercent	The maximum decrease in the interest rate (Note Rate) on any Interest Change Date after the first Interest Change Date. Expressed as a percentage in the Note.
		AdjustmentRuleType	
Life-of-loan max rate (20)	Ceiling Rate Percent	CeilingRatePercent	The maximum interest rate (Note Rate) to which an ARM may adjust over the life of the loan. Expressed as a percentage in the Note.

If you discover discrepancies between any of the data elements in the selling system and the Note or other documentation, you must not certify the Note. You must enter the data discrepancy in the selling system or, if you and the Seller agree, you may use an alternate method to report discrepancies, even though references through this chapter direct you to enter the discrepancy in the selling system.

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If you have proposed changes, the Seller may receive an email notice, or the Seller may monitor outstanding certification issues through the selling system. The Seller may accept or reject the proposed changes. If the Seller

- Accepts all proposed changes and there are no document discrepancies outstanding, the Note will be automatically certified. You need not perform any further action to complete the certification.
- Rejects any of the proposed changes or documentation discrepancies, you must work with the Seller to resolve the issues.

Issue	Resolution
Borrower Name in the selling system differs from Note	<p>Enter the discrepancy in the selling system. The Seller must send you evidence of a name change or a Name Affidavit.</p> <p> See "Borrower's Signature" section below for further information concerning allowable variances.</p>
Note data elements do not agree with the data in the selling system	<p>Enter the proposed changes to the data in the selling system. The Seller must either:</p> <ul style="list-style-type: none"><li>• Accept your changes, in which case no further action on your part is necessary; or</li><li>• Reject your changes. You may not certify the Note unless the Seller provides you with corrected documentation.</li></ul>
Changes on Note; white-outs and cross-outs are not initialed by Borrowers	<p>Enter the discrepancy in the selling system and return Note to the Seller to have the Borrower initial all changes.</p> <p>Changes to Freddie Mac loan number, closing location, typed name under signature and Zip Code do not require Borrower's initials.</p>
Freddie Mac loan number is changed on the Note	<p>No action is required, provided that the Freddie Mac loan number that appears on the Note matches the Freddie Mac loan number in the selling system.</p>
FHA case number is changed or incorrect on the Note	<p>No action required. This is not a certified field.</p>
Seller reports experiencing a "fail" after you have certified the Note	<p>"Fails" may occur for a number of reasons not related to certification. Refer the Seller to 800-FREDDIE.</p>

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Refer to the section **Enter Proposed Data Change and/or Document Discrepancy**, in the [Certifying Mortgages for Freddie Mac User Guide](#) to view the process for entering proposed data changes.

### Note Verification

The Note must be original and complete. **Freddie Mac will not accept Notes marked as “duplicate original,” “corrected copy,” or similar**, even if there is an original signature, or if the words “duplicate original” or “corrected copy” are crossed through with or without initials. Please contact Freddie Mac immediately if you receive such a Note.

A Seller's Purchase Documents may permit certain variances from requirements, such as original Notes or Uniform Instruments. You must receive a copy of the relevant portion of the Seller's Purchase Documents that waive or supplement our standard Guide requirements before you may certify the Note.

### Borrower's Signature

You must verify that the signature on the Note for each Borrower is an original ink signature. Signatures in pencil are not acceptable. Stamped or other non-traditional methods of signing may be acceptable in certain circumstances, such as the Borrower's physical impairment. In these cases, a Signature Affidavit or supporting documentation, such as a court order, is required.

Borrower names may appear on the Note first name first or last name first if the last name is followed by a comma. Such reversal of the first and last names on the Note may be certified, if there is no inconsistency between names identified in the delivery data.

**Except for Living Trusts, there is no requirement that the Borrower's name be typed or printed under the signature line of the Note.** However, the name as signed must not conflict with a name typed or printed under the signature. If the Borrower's name on the Note does not match the data in the selling system, it must be treated as oversigned or undersigned as described below.

If a Borrower initials one page of the Note, then those initials must appear on every page except the signature page. While there is no requirement that the Borrower initial the Note, you may not certify a Note where some pages of the Note are initialed and others are not.

### *Oversigning or Undersigning Documents*

Borrowers may “oversign” or “undersign” their names.

- Oversigning occurs when something is included in the Borrower's signature that does not appear in the typed or printed name on the Note and/or in the selling system. Prefixes and suffixes such as “Mr.”, “Mrs.”, “Ms.”, “Dr.”, and “MD”, “PhD”, “Sr.”, “Jr.” are not required to be certified, and may be considered oversigning.

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- Undersigning occurs when the Borrower's signature does not contain elements such as a middle name or initial that is included in the typed or printed name on the Note and/or in the selling system.

Oversigning and undersigning are acceptable and do not require a Name Affidavit or Signature Affidavit provided there is no conflict between the signed name and a typed or printed name on the Note and/or in the selling system.

You may encounter the following situations:

Acceptable	Unacceptable
Signature <b><u>John Q. Public</u></b> Typed Name John Quincy Public Signature is undersigned, but does not conflict with the typed name.	Signature <b><u>John Z. Public</u></b> Typed Name John Quincy Public Signature conflicts with typed name. This is acceptable only if a signature affidavit is provided showing that John Quincy Public signs documents as John Z. Public.
Acceptable	Unacceptable
Signature <b><u>John Public</u></b> Typed Name John Quincy Public Signature is undersigned, but does not conflict with the typed name.	Signature <b><u>John Q. Public</u></b> Typed Name John Quincy Public, Trustee For a Borrower that is a living trust (may also be referred to as a inter vivos trust or revocable trust), the signatures of both the settlor and the trustee must appear on the Note. See signature by trustee below.
Acceptable	Unacceptable
Signature <b><u>John Quincy Public</u></b> Typed Name John Q. Public Signature is oversigned, but does not conflict with the typed name.	Signature <b><u>John Quinn Public</u></b> Typed Name John Quincy Public Signature conflicts with typed name. This is acceptable only if a Signature Affidavit is provided showing that John Quincy Public signs documents as John Quinn Public.

### Illegible Signature and Signature Contradictions



A Signature Affidavit or Name Affidavit is a notarized document that is required when the Borrower's signature contradicts or is not consistent with a typed or printed name below the signature line on the Note or in the selling system. We prefer an original affidavit; however, a copy is acceptable.

If a Signature Affidavit is used, the signature on the affidavit must closely resemble the signature on the Note.

A Borrower's illegible signature is acceptable if the typed or printed name on the Note and the Borrower's name in the selling system match.

When the Borrower's signature is illegible and there is no typed or printed name on the Note, enter this as a document discrepancy in the selling system. You will need to obtain copies of other legal documents, such as the Name Affidavit or Signature Affidavit that contain the Borrower name and signature, to compare. If they closely resemble each other, the signature is acceptable.

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May be Acceptable	May be Acceptable
Signature <input checked="" type="checkbox"/> Typed Name John Quincy Public  A Signature Affidavit or Name Affidavit must accompany this delivery, showing that John Q. Public's legal signature is "X".	Signature <input type="checkbox"/> Typed Name John Quincy Public  A Signature Affidavit or Name Affidavit must accompany this delivery, showing that John Q. Public's legal signature is "□".
May be Acceptable	May be Acceptable
Signature is illegible and name is NOT typed under signature   Compare the signature to the signature on a Signature Affidavit or other legal, notarized document and match the typed name on that document to the name in the selling system.	Signature is illegible  Typed Name John Quincy Public  Acceptable if the typed or printed name on Note matches the Borrower name in the selling system.

## Signature by a Borrower that is a Living Trust

If a Note is secured by Mortgaged Premises held in a Living Trust (also referred to as an inter vivos or revocable trust), the Note must be signed by the Settlor(s) and by one or more Trustees on behalf of the trust as Borrower; the same person may sign in each role, or different people may sign. See [Guide Section 5103.5](#). The Note must clearly indicate the complete legal name of the Living Trust on the signature page(s).



The Living Trust should be identified using the following format: "the \_\_\_\_\_ Trust, under Trust Agreement dated MM/DD/YYYY"

You may certify a Note with a Living Trust as the Borrower that uses a signature addendum (a form of Allonge) for the signature of the Trustee(s) only if there is not enough space on the Note for the signature(s) and:

1. Each Settlor (regardless of whether that person is also signed as a Trustee) signed the Note in an individual capacity on the Borrower's signature line--only Trustees' signatures may appear on the signature addendum;
2. The Note clearly references the existence of the signature addendum;
3. The signature addendum is permanently affixed to the Note (taping or pasting the signature addendum to the Note are not acceptable); and
4. The signature addendum references the Borrower, the Note Date, the address of the Mortgaged Premises, and the original principal balance of the Note.



With respect to Living Trusts, the "Settlor" is the person who creates the trust, who may also be referred to as the "Grantor".



The Document Custodian may ask to see the security instrument, or its first and signature pages, or trust documentation to verify the name of the trust.

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In the selling system, the Seller must deliver a Living Trust Note using the Non individual Borrower Type of "Living Trust". The Borrower name (e.g., "John Q. Public") is entered as unparsed text in the Non individual Borrower Name field. Within the Document Custodian's certification screen view of the selling system, the Borrower name appears in the Primary Borrower Name field exactly as entered which may differ from the normal view of Last, First, Middle.

Should there be a discrepancy between the Borrower name on the Note and the information in the selling system, click the "Enter Discrepancy" button, enter the full name of the person who signed as the Borrower shown on the Note in the Primary Non individual Borrower Name field and remove any entries in the First, Middle and Last name fields. For discrepancies relating to Secondary Borrowers that are Living Trusts, the same protocol would apply.

Acceptable	Acceptable
Signature <b><u>John Q. Public</u></b> Typed Name John Quincy Public, Individually and as Trustee of the John Quincy Public Trust dated MM/DD/YYYY	Signature <b><u>John Q. Public</u></b> Typed Name John Quincy Public Signature <b><u>John Q. Public</u></b> Typed Name John Quincy Public, as Trustee of the John Quincy Public Trust dated MM/DD/YYYY
One signature used to indicate that the signatory is executing the document as both individually as Settlor and as trustee.	Borrower executed the Note with one signature individually as Settlor plus a second signature as trustee.

### ***Signature by a Conservator or Guardian***

A conservator is someone who has been given authority over the affairs of an individual deemed to be legally incompetent. If a conservator signs a Note as Borrower, then a copy of the court document that appoints that person as conservator for the Borrower must be included with the Note.

### ***Power of Attorney***

If the Note is executed on behalf of the Borrower by an attorney-in-fact pursuant to a Power of Attorney (POA), it must be clear that the Note has been signed by an attorney-in-fact. **You must verify that the POA is dated on or before the Note Date.**

The Seller must deliver the original notarized POA. The Document Custodian is not expected to review the content of the POA. See [Guide Section 6301.4](#) for additional information.




A general POA may be used by the signatory to execute the Note if that is permitted under the law of the State in which the Mortgaged Premises is located.

Freddie Mac requires that a POA be notarized even if state law or local customs do not.

When the Seller delivers the Note together with a written statement that the use of a POA must be permitted by applicable law, the Document Custodian need not validate any aspect of such written statement but must retain it in the Note file. Delivery of such a written statement is not required for every Note executed by

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POA, and the Document Custodian has no responsibility to ask for one if it is not delivered.

Acceptable	May be Acceptable
<p>Signature <b><u>Samuel Signatory,</u></b> <b><u>Attorney-in-Fact for John</u></b></p> <p>Typed Name <b><u>Quincy Public</u></b> John Quincy Public</p> <p>The signature indicates that Samuel Signatory is executing the document under a POA from John Quincy Public.</p> <p>The POA designating Samuel Signatory as John Quincy Public's Attorney-In-Fact for execution of Mortgage documents that is in effect on the date the documents were signed must be received and attached to the Note.</p>	<p>Signature <b><u>Samuel Signatory</u></b> Typed Name John Quincy Public</p> <p>This is not acceptable if the Note is received with no additional documentation.</p> <p>Seller must provide documentation to support Samuel Signatory's authority to execute the Note on the Borrower's behalf.</p> <p> This manner of signature is not a preferred method of executing a document under a POA, since it is not clear why or under what authority Samuel Signatory is executing the document.</p>

Freddie Mac will accept a POA that is notarized by a military officer if the notarization is made pursuant to the Servicemember's Civil Relief Act §506(b), which permits a service member during a period of military service to make an affidavit "before... any superior commissioned officer." See also [Guide Section 8503.1](#).

If the original POA is missing:

- A copy is acceptable if the original POA has been sent to the recorder's office or the copy contains recordation information.
- You must notify the Seller/Servicer if the original POA is missing for Notes in a Subsequent Transfer of Servicing.

See [Guide Section 6301.4](#).

### Uniform Instruments

The Guide requires that all Notes be executed on the Uniform Instruments (1-4 Family) for the jurisdiction where the Mortgaged Premises are located. Freddie Mac does not expect Document Custodians to conduct further verification regarding the printed or standard text of the Note if the agency tagline indicating a Uniform Instrument is present. See [Guide Section 4101.2](#); the Forms are listed in [Exhibit 4](#) "Single-Family Uniform Instruments," and at [www.FreddieMac.com/uniform](http://www.FreddieMac.com/uniform).

The following apply to ensure that the Note(s) meet the Uniform Instruments requirement.

- The agency identifier tagline must appear on each page of the Note; a Note without the agency tagline will be considered non-standard.
- Unless specified in the Purchase Documents, the Document Custodian may not certify a Note that is not executed on a Uniform Instrument. The Seller must be contacted and the Note returned.



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- Sellers may reprint Uniform Instruments on their own letterhead, by computer, or otherwise as they choose. However, the text of the Uniform Instruments must remain unchanged and the tagline identifying the instrument as a Uniform Instrument must remain a part of the document—either “Fannie Mae/Freddie Mac,” “Freddie Mac” or “Fannie Mae.”
- We do not object to supplemental tag line information by forms companies or the lender; however, the original verbiage in the tag line of the Uniform Instrument may not be changed.
- Form numbers do not change when Guide Exhibit 4 is updated.
- As new generations of instruments are developed, and electronic format replaces hard copy forms, Freddie Mac may explore new methods of denoting legally required changes in the Uniform Instrument form number.



The Spanish translations of certain Uniform Instruments that are available on Freddie Mac's website are for borrower education and reference only and are not acceptable as original, signed mortgage documents. They may be found at <http://www.freddiemac.com/uniform/spanish.html>.

### Lost Note Affidavits

In certain instances, you may receive a Lost Note Affidavit (LNA) instead of the original Note. If the LNA meets these requirements, you may verify loan data on the Note copy attached to the LNA. The LNA must be placed in the Note file in lieu of the Note.

- The LNA must be an original, signed in ink by an officer of the Seller.
- The LNA must be notarized.
- The LNA must be addressed to Freddie Mac. If you receive an LNA addressed otherwise, contact Freddie Mac (see Guide Directory 9).
- The LNA must include:
  - The name of each Borrower on the Note,
  - The original principal amount of the Note, and
  - The Note Date.
- A complete copy of the entire missing Note must be attached to the LNA, including all required signatures and endorsements complete to the Seller.
- The Seller must provide you with evidence that Freddie Mac has approved delivery of an LNA. This may include a copy of the portion of the Purchase Documents between Freddie Mac and the Seller that identifies specific Mortgages. If there is a specific mortgage list, the Document Custodian must ensure that each LNA received is included on that list. If the Seller submits other written documentation, it must indicate that Freddie Mac has approved the LNAs and list the affected Mortgages.



## Document Delivery and Processing Procedures

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If the LNA meets these requirements, you must verify the loan data from the Note copy attached to the LNA. The LNA and Note copy must be filed in the Note file in lieu of the Note.



If the copy of the Note does not include the complete endorsement chain, the LNA must contain a statement to the effect that the photocopy of the Note was made in the ordinary course of business prior to the Note's endorsement. Original endorsements on the Note copy are not acceptable.

If, after Freddie Mac purchases a Mortgage with a LNA, the Servicer recovers the original Note, the Servicer should deliver it to you together with a signed "Found Note Certification" form (See Appendix C) that identifies the related Mortgage and contains certain representations relating to the original Note. You must review the Note to verify that it is an original document that matches the copy of the note attached to the LNA: if it is, you should place the original Note in the Mortgage file, execute the Found Note Certification form where indicated and return the form, together with the complete LNA, to the Servicer. The Servicer will then contact Freddie Mac, and your duties and responsibilities with respect to the original Note are the same as if it had been delivered to you prior to Freddie Mac's purchase of the related Mortgage. If the Servicer is unfamiliar with this process, please instruct them to contact Freddie Mac ([Guide Directory 9](#)) directly.

### Endorsements

When a Note is sold to Freddie Mac, the Seller must endorse the Note in blank "Pay to the order of ....," Please contact Freddie Mac ([Guide Directory 9](#)) if you receive an endorsement in another form or with alternate language. While you may certify a Note endorsed "Payable to ...", we will ask the Seller to change their practice for the future. The following must be clearly typed or printed:

- The name of the institution making the endorsement ("Seller-endorser")
- The name and title of the individual authorized to sign
- Document Custodians cannot act as Attorney-in-Fact, Agent or Delegatee or pursuant to a power-of-attorney to endorse Notes for the Seller



If the endorser is "doing business as," it must provide both the formal or current corporate name and the alternative name.



Endorsements must be complete from the payee on the Note to the Seller of the Note to Freddie Mac. There may not be further endorsements as long as Freddie Mac owns the Note.



Notes that Sellers have "endorsed" using stickers are not acceptable, and Document Custodians must reject Notes endorsed using such a method. For an endorsement to be certified by a Document Custodian pursuant to [Guide Section 6301.3](#), the endorsement must be made directly on the Note with an ink signature or with a facsimile signature, as permitted by [Guide Section 6301.3](#). An Allonge that meets all of the conditions set forth in [Guide Section 6301.3](#) may also be used to endorse a Note. Use of stickers to affix signatures does not satisfy Freddie Mac's requirements for either an endorsement on the Note or an Allonge.

## Document Delivery and Processing Procedures

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The following are examples of blank endorsements:

### Without Recourse

PAY TO THE ORDER OF _____ (Leave Blank)
WITHOUT RECOURSE
_____ (Name of Seller-endorser)
_____ (Signature of duly authorized officer)
_____ (Typed name and title of signatory)

### With Recourse

PAY TO THE ORDER OF _____ (Leave Blank)
_____ (Name of Seller-endorser)
_____ (Signature of duly authorized officer)
_____ (Typed name and title of signatory)



Most Notes are sold to Freddie Mac without recourse; however, Document Custodians are not required to check recourse status of the Notes and have no way of doing so.

### Allonges

Allonges are often used to provide additional space for endorsements. You may certify a Note that has an Allonge attached if:

- The Allonge is permanently affixed to the Note (taping or pasting the Allonge to the Note are not acceptable), and
- The Allonge references the Borrower's name, the address of the Mortgaged Premises, and the original principal balance of the Note.

If you receive a non-conforming Allonge, enter the discrepancy in the selling system and await corrective action by the Seller. See [Guide Section 6301.3](#).



If you receive an Allonge that is dated, you may certify only if the date is on or after the Note date. If you frequently receive Notes from a Seller endorsed this way, please contact Freddie Mac so that we can remind the Seller of our requirements.

### Endorsement Chains

The Seller must endorse each Note in blank. When the Seller of the Note is not the original payee on the Note, you must verify that the chain of endorsements on the Note is proper and complete from the original payee to the Seller.

After Freddie Mac purchases the Note, no other endorsements or changes to endorsements on the Notes are permitted without Freddie Mac's prior written consent. In particular, a Transferee Servicer may not endorse or change any endorsement on a Note owned by Freddie Mac.

## Document Delivery and Processing Procedures



You may certify Notes endorsed to Freddie Mac rather than endorsed in blank, but if you frequently receive Notes from a Seller endorsed this way, please contact Freddie Mac so that we can remind the Seller of our requirements.

Endorsements may indicate that the endorsing entity is the “successor in interest to” or “successor by merger to” the preceding endorser; this is acceptable. If, however, there is a break in the endorsement chain and the Seller indicates that it is due to a name change or a merger, acquisition or other event that is not indicated in the endorsements themselves, the Seller must deliver documentation (such as an explanatory letter) to substantiate that event. Such documentation might consist of a regulator’s documentation from the state corporation commission (or similar authority) of the state in which the Mortgaged Premises is located.


In certain circumstances, the endorsement may not match the formal legal name of the entity. For example, for a company named “Standard Federal Mortgage Bank Incorporated,” the following abbreviations are acceptable if the Document Custodian has a document signed by the Seller’s attorneys stating that those abbreviations are acceptable:

- STD FED MTG BK INC
- STANDARD FEDERAL MTG
- THE STANDARD FEDERAL MORTGAGE BANK
- STND FED MTG INC

The following chart identifies different endorsement issues and the conditions for Freddie Mac acceptance.

Issue	Resolution
Endorsement is missing a signature	Enter the discrepancy in the selling system and wait for corrective action from the Seller.  If the Seller advises you that the institution is no longer in business and it is unable to obtain the signature, you must not certify the Note.
Endorsement is a facsimile signature	Acceptable (the Seller must retain documentation in its files to support use of facsimile signatures but the Document Custodian need not verify). A facsimile signature must be made using a process where ink is applied to the Note by a stamp or otherwise, by a person authorized by the Seller to endorse the Note. Endorsements generated on an automated basis by machines, such as those used to sign letters or checks, are not acceptable facsimile signatures.

## Document Delivery and Processing Procedures

Issue	Resolution
Endorsement does not include title of signatory	Enter the discrepancy in the selling system and wait for corrective action from the Seller.
Endorsement errors or missing endorsements	Enter the discrepancy in the selling system and wait for corrective action from the Seller.
Date has been inserted on blank endorsement	Contact Freddie Mac so that we may remind the Seller of our requirements.
Endorsement has been voided	<p>Acceptable, provided that an authorized signatory of the endorsing institution has initialed the “voided” endorsement.</p>  <p>Be certain that only the <u>erroneous endorsement</u> is marked through or marked “void”; otherwise, it may appear that the entire Note is voided.</p>

### Assignments

You must receive an original assignment of the Security Instrument that has been recorded from the original mortgagee on the Security Instrument to the Seller or, if there is a concurrent Transfer of Servicing (TOS), to the Servicer (NOT to Freddie Mac). An officer of the transferring institution must sign the assignment, and the assignment must contain the officer’s name and title.

You must verify that there is no break in the assignment chain. Assignments of the Security Instrument must begin with the original mortgagee (the payee on the Note) and continue unbroken to the Seller, or to the Servicer, if there is a concurrent TOS, or to MERS.

- You must hold all assignments with their related Notes, unless the Mortgage is registered with MERS, and/or
- Servicer has provided you with documentation indicating that it will hold all assignments for Freddie Mac-owned Notes in its Mortgage files. See [Guide Section 3301.4](#).



**We do not accept assignments to “blank”.** Assignments must include the legal name of the entity to which the beneficial interest is being assigned, in most instances, the Servicer.

The following chart identifies different assignment issues and the conditions for Freddie Mac acceptance.

## Document Delivery and Processing Procedures

Issue	Resolution
Blanket assignments are delivered	Freddie Mac does not accept mortgages assigned using blanket assignments. Enter the discrepancy in the selling system and return assignment to the Seller.
The recorder's office does not record assignments	This is not common, however; pursuant to <a href="#">Guide Sections 6301.6</a> and <a href="#">6301.8</a> , if the Seller indicates this in an affidavit delivered with the Note, you may accept it and retain it in the Note file with the Note.
The recorder's office does not return the recorded documents	A certified and true copy of the document that was sent for recording is acceptable.
The assignment does not have a notary stamp or seal	Enter the discrepancy in the selling system and wait for corrective action from the Seller.
The assignment does not have a corporate seal	If the assignment is otherwise acceptable, you may certify the Note.
The assignment contains a facsimile signature	Assignments must contain original signatures. Enter the discrepancy in the selling system and wait for corrective action from the Seller.
The certified copy of the assignment is missing the date or the recordation information, or the recordation information is illegible	Enter the discrepancy in the selling system; the Seller must provide this information.
Assignment is made to Freddie Mac	Return to Seller to destroy. See <a href="#">Guide Sections 6301.6</a> and <a href="#">6301.8</a> .
Servicer wishes to assign Freddie Mac's interest in a Mortgage to a new lender in a Texas refinance	This is not permitted. The Mortgage must not be assigned to the new lender for the refinance.

## Document Delivery and Processing Procedures

Issue	Resolution
Document Custodian is holding a certified and true copy of the assignment, but subsequently receives the original recorded assignment	File the recorded assignment with the original Note, and destroy the copy or return it to the Seller/Service as determined by your agreement.
Intervening Assignment(s) not included with affidavit stating that the jurisdiction does not require that assignments be recorded	Enter the discrepancy in the selling system and notify the Seller who must provide Intervening Assignment(s). Do not certify until resolved.
Intervening Assignments for whole or participation Notes not included with delivery	Enter the discrepancy in the selling system and request the Seller to provide Intervening Assignment(s). Do not certify until resolved.
Intervening Assignments sent for recordation, but only a copy is received	Enter the discrepancy in the selling system and ask the Seller to certify and deliver to you a copy (a "Seller-certified copy") of the Intervening Assignment that was sent for recordation.
Assignment chain is broken	Enter the discrepancy in the selling system and notify the Seller of the break. Do not certify until corrected.
Assignment is to "blank"	Return to Seller; Freddie Mac does not accept assignments to "blank". You may not certify. See <a href="#">Guide Sections 6301.6 and 6301.8</a> .



See [Guide Sections 6301.6](#) and [6301.8](#) for additional requirements and for the requirements for Mortgages that have been registered with MERS.

### Reviewing Supplemental Documentation

We require that the Seller deliver the original assignments and related documentation to you. Sometimes the original is not available because it has been sent to the recorder's office for recordation and has not been returned to the Seller for delivery to you. In such cases, you may certify the Note based on a Seller-certified copy of the assignment or related documentation.

The chart below indicates when original documents are required for certification and when certified copies of documents may be used in lieu of originals.

## Document Delivery and Processing Procedures

Document	What is Acceptable
Note	Original or an LNA meeting the requirements above
Note Addendum (for example, Balloon Note Addendum)	Original only
Assumption Agreement	Original only
Power of Attorney (POA)	Original, or a copy with recordation information, unless the original has been sent to the recorder's office. See Guide Section 6301.4.
Recorded assignment	Original; <ul style="list-style-type: none"> <li>If original is at the recorder's office for recordation, then a Seller-certified copy is acceptable (until original is received), or</li> <li>Copy certified by clerk of court or recorder's office <u>if</u> the original recorded document is not available</li> </ul>
Multistate Agreement to Convert ( <a href="#">Form 3180</a> )	
NY CEMA ( <a href="#">Form 3172</a> )	
Modification	
Name Affidavit or Signature Affidavit	Original or copy

Document Custodians may receive documentation from the Seller/Servicer after certification is complete. This may occur when the Seller submits a certified copy of a document with the delivery and then sends you the original document after recordation.

When this happens, you must:

- Verify the documentation as you would for any document delivery.
- If the document is an addendum to or modification to the Note, attach it to the Note. Otherwise, place the document in your file with the Note.
- If the document is the original, replace any copy with original, and destroy the copy, unless you have a written agreement with the Servicer to return it to them for destruction.
- If you receive an original Note for a Mortgage that you certified based on an LNA, void the LNA and return it to the Servicer for destruction.



# Document Delivery and Processing Procedures

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## Resolving Discrepancies

You must enter any data or document discrepancies for a Note in the selling system. The Seller may receive an email notice that there are proposed changes. The Seller has the option of accepting the proposed data changes or rejecting them. If the Seller

- Accepts all proposed data changes and there are no document discrepancies outstanding, the loan will be automatically certified. You are not required to perform any further action to complete the certification.
- Rejects any of the proposed changes or documentation discrepancies, you must work with the Seller to resolve the issues.

Refer to the section on Reviewing Certification Issues in the [Certifying Mortgages for Freddie Mac User Guide](#) for accessing and processing certification issues after you have entered proposed changes or documentation discrepancies in the selling system.

You must not certify a Mortgage for which you have identified data or document discrepancies until the discrepancies have been corrected.

## Post-Certification Corrections to Notes

On occasion, a Seller/Servicer will ask to correct or change a Note after it has been certified. Please direct the Seller/Servicer to Freddie Mac. Freddie Mac strongly encourages corrections or changes to a Note using a modification.

**Under no circumstances should the Document Custodian return a Note to the Seller/Servicer for correction, or permit the Seller/Servicer to 'substitute' a replacement note for the Note held by the Document Custodian that has been certified for purchase by, or purchased by, Freddie Mac.**

## New York Consolidation, Extension and Modification Agreements (“NY CEMAs”)

A New York Consolidation, Extension and Modification Agreement ([Form 3172](#)) is often used to finance debt secured by property in New York state in lieu of canceling and releasing an existing lien, **and is for use only in New York State**. The NY CEMA process permits borrowers to avoid a portion of the mortgage recordation tax due for a transaction: because the tax on the outstanding mortgage balance has already been paid, tax is due only on the amount of money borrowed that exceeds the balance of the existing mortgage. The result is that the Borrower has a single, consolidated loan obligation, evidenced by a Consolidated Note that is payable in accordance with the terms of the NY CEMA.

### **Certification**

If Freddie Mac purchases a Mortgage originated with a NY CEMA, the delivery must include a new original Consolidated Note, together with the NY CEMA with applicable Exhibits and all assignments. **The following documents must be present for certification of a NY CEMA Mortgage:**



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- In connection with a current financing evidenced by a NY CEMA, Form 3172 1/01 and Form 3172 1/01 (rev. 5/01), the Borrower must execute a **new original Note**, referred to as the **Consolidated Note**, that consolidates, extends and modifies the Original Old Money Note and the Original New Money (Gap) Note, if any. A Consolidated Note was not required with NY CEMA Form 3172 7/86, although one may have been executed.
- If a Seller delivers a NY CEMA Mortgage that refinanced a NY CEMA Mortgage previously owned by Freddie Mac, you may receive for certification the Note and assignments that you released along with a **new original Consolidated Note**, a **new NY CEMA** and a **new assignment**. The new NY CEMA Mortgage will have a new Freddie Mac loan number, and you must track it using this new number.



The NY CEMA, Form 3172, is a Fannie Mae/Freddie Mac Uniform Instrument, and may be used for Mortgaged Premises located in New York only.

See [Guide Sections 4101.4](#) and [6301.8](#) for further information on documentation required to certify NY CEMA Mortgages for Freddie Mac.

If the recorder's office has not returned the recorded NY CEMA in time for it to be delivered for certification, the Seller must deliver a copy of the document (or the NY CEMA) sent for recordation, certified by a corporate officer of the Seller as a true and complete copy. If the original recorded NY CEMA is returned by the recording office, the Servicer must forward it to you for maintenance in the Note file.

### **Assignments**

If the Seller delivering the NY CEMA is not named in the prior mortgages listed in the NY CEMA, you should receive a recorded Intervening Assignment for each change in mortgage ownership. (Refer to "MERS Registered Mortgages" below in this chapter for information on assignments for those Mortgages.)

### **MERS-Registered Mortgages**

MERS is the Mortgage Electronic Registry System, Inc., a database that is accessible on-line and contains real property and ownership information commonly found in closing documents, public land records, and Mortgage assignments. Mortgages registered with MERS appear in the public land records with MERS as the Mortgagee of Record.

Freddie Mac purchases MERS-registered Mortgages closed with MERS as the Original Mortgagee of Record, as well as those closed with MERS as the assignee. All MERS-registered Mortgages are subject to the same representations and warranties as the other mortgages that we purchase.

Each MERS-registered Mortgage must have either a recorded assignment to MERS or be closed on a security instrument that names MERS as the nominee. The Seller must include the MIN (the 18-digit Mortgage Identification Number

## Document Delivery and Processing Procedures

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assigned to each Mortgage registered with MERS); it remains with the Mortgage throughout its term. Document Custodians are not required to verify the MIN.

If the Mortgage was closed with MERS as the original mortgagee (a MOM loan), the Seller must inform you that the Mortgage was closed on a security instrument that names MERS as the Mortgagee of Record and transmit the MIN with the delivery data. The Servicer may elect to hold the assignments for MERS-registered Mortgages; in this case, the Servicer certifies the MERS assignment chain.

If you have general questions about MERS or MERS-registered mortgages, please contact the MERS corporate offices. Information for how to contact MERS is available on the MERS website: <http://www.mersinc.org/about-us/contact-us>.



For Mortgages registered with MERS after sale to Freddie Mac, the Servicer will inform MERS that we are the investor and give MERS the Freddie Mac loan number; MERS will then notify Freddie Mac. You and the Servicer must agree as to how the Servicer will notify you of the change in status of these Mortgages.

### Retention Period

For Mortgages certified in the selling system, Document Custodians are not required to retain a copy of Form 1034E.

### Resources

It is important to note that Freddie Mac and Fannie Mae will continue to exercise independent business judgment when using loan delivery data in their respective, unique business processes. Additional information, including web-based training, can be found regarding the ULDD and its implementation on Freddie Mac's corporate website at:

- [http://www.freddiemac.com/singlefamily/sell/uniform\\_delivery.html](http://www.freddiemac.com/singlefamily/sell/uniform_delivery.html) and
- [http://www.freddiemac.com/singlefamily/sell/uniform\\_mortgage\\_faq.html?tab=1](http://www.freddiemac.com/singlefamily/sell/uniform_mortgage_faq.html?tab=1) and at
- [www.freddiemac.com/learn/uw/umdp.html](http://www.freddiemac.com/learn/uw/umdp.html).