

**IN THE COURT OF COMMON PLEAS
MONTGOMERY COUNTY, OHIO**

PNC Bank, National Association, et al.	)	Case No: 2010-cv-07091
)	
Plaintiff,)	
	)	JUDGE Steven K. Dankof
v.)	
	)	MAGISTRATE David H. Fuchsman.
Peter K. Newman, et al.)	
	)	<u>PLAINTIFF'S SUPPLEMENTAL REPLY</u>
Defendants.	)	<u>IN SUPPORT OF ITS MOTION FOR</u>
	)	<u>SUMMARY JUDGMENT ON</u>
	)	<u>DEFENDANTS' COUNTERCLAIM FOR</u>
	)	<u>VIOLATION OF FDCPA</u>
)	

The only issue currently before the Court is whether Plaintiff PNC Bank, National Association, successor by merger to National City Bank, successor by merger to National City Mortgage Co, ("PNC") can be held liable for the alleged violations of the FDCPA. PNC has already established that (1) it is a successor by merger to Peter and Susan Newmans' (the "Newmans") original lender, National City Mortgage Co ("NCMC"), (2) it properly acquired the Newmans' Note and Mortgage through that merger before the Newmans defaulted on the Note, and (3) it is and at all relevant times has been the servicer of the Newman's loan and holder of the Note and Mortgage. (See PNC's Reply in Support of its Motion for Summary Judgment). The FDCPA does not apply to loan originators and servicers who acquire loans before they are in default. 15 U.C.S. §1692a(6)(F)(ii)-(iii). Thus, as a matter of law, the FDCPA does not apply to PNC. Consequently, there is no dispute that PNC is entitled to summary judgment on the Newmans' FDCPA claim.

Nevertheless, the Newmans have argued that the question of “ownership” of their loan needs to be resolved before the Court can rule on PNC’s Motion since Federal Home Loan Mortgage Corporation (“Freddie Mac”) is an investor on their loan. As PNC already explained, this question is a red herring, and the answer to it will have no effect on the outcome of PNC’s pending Motion in particular, or the outcome of this case in general. Nevertheless, as it has been invited by the Court to make an additional submission regarding Freddie Mac’s rights with respect to the Newman’s loan, PNC submits the attached affidavit of Ms. Dorothy Thomas that explains the lender/investor relationship in general and the PNC/Freddie Mac relationship with respect to the Newmans’ loan in particular. (Exhibit 1 hereto).

As Ms. Thomas explains, ordinarily, investors acquire from loan originators such as NCMC, and now PNC, the right to receive income from the mortgage. In return, investors pay NCMC or PNC a fee from the payments they collect for administering all day-to-day activities on the loan. (Tomas Affidavit at ¶4). These activities range from performing collection activities and posting payments to enforcing delinquent loans through foreclosures. (*Id.* at ¶4). For an investor to acquire the right to foreclose on the mortgage securing a particular loan in which it invests, it must (1) obtain and record an assignment from the originator of the note evidencing the loan and the mortgage securing the loan and (2) take physical possession of the original note and mortgage. (*See id.* at ¶¶5, 7). Freddie Mac ordinarily does not take notes and mortgages related to loans it purchases from originators by assignment and therefore does not ordinarily enforce delinquent loans through foreclosure. (*See id.* ¶¶6-7). In fact, Freddie Mac has a fifty-four page, seventy-three chapter guide for its servicers on how they must enforce

delinquent loans through foreclosure – from its filing, to foreclosure sale, to reporting the foreclosure to the IRS. (Id. at ¶6 and Exhibit A¹).

With respect to the Newman's loan, all of the above holds true – Freddie Mac invested in their loan, received the right to receive income from the loan, kept PNC as the servicer of the loan, did **not** take the Note and Mortgage by assignment, and left the Note and Mortgage in PNC's hands. (Id. at ¶¶10-11). Under Ohio law, PNC, as the originator and holder of the Newmans' Note is the only party that can enforce the Note by foreclosing on the Newman's Mortgage. Once the foreclosure is completed, the judgment on the Note is rendered and the Newmans' interest in the property is foreclosed, the Note will be cancelled, the Mortgage will be recorded as satisfied, and no other party would be able subsequently to pursue the Newmans for any obligation under the Note or the Mortgage. (Id. ¶¶8, 11, 13) Until then, if Freddie Mac decided to proceed with the foreclosure on its own (and it virtually never does as a practical matter), it would need to obtain from PNC and record a formal assignment of the Note and Mortgage, take physical possession of the Note and Mortgage from PNC and then substitute itself into this action. See Wachovia Bank of Del., N.A. v. Jackson, Stark App. No. 2010-CA-00291, 2011 Ohio 3203, at ¶¶40-42; United States Bank Nat'l Ass'n v. Duvall, Cuyahoga App. No. 94714, 2010 Ohio 6478, ¶¶2-3; Deutsche Bank Nat'l Trust Co. v. Triplett, Cuyahoga App. No. 94924, 2011 Ohio 478, ¶¶15-16.

Similarly, until Freddie Mac goes through the process of obtaining and recording an assignment from PNC and taking physical possession of the Note and Mortgage from PNC, it cannot sell to any other party the right to collect payments from the Newmans or enforce their loan obligations through foreclosure. Freddie Mac can sell to a third party only what it currently

¹ Full set of Freddie Mac's servicer guidelines is available at <http://www.freddiemac.com/sell/guide>.

has, which, with respect to the Newmans' loan is the right to receive (1) payments actually collected from the Newmans and (2) proceeds of any foreclosure sale. (Thomas Affidavit at ¶¶11-12).

Consequently, the Newmans' concern, however genuine, that more than one foreclosure action may be initiated against them is entirely unfounded.² Most importantly, the issue of their loan "ownership," aside from being without merit, has no bearing on whether PNC is covered by FDCPA. PCN is entitled to judgment in its favor on the pending Motion for Summary Judgment on the FDCPA claim.

Respectfully submitted,

/s/ Mary E. Lentz

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Attorneys for Plaintiff PNC Bank, National Association.

² The Court should note that it is not in dispute that in over a year and a half since the Newmans stopped making mortgage payments to PNC in January 2010, no other party has demanded payment on the Note from them.

CERTIFICATE OF SERVICE

I hereby certify that on August 11, 2011, the foregoing was electronically filed with the Clerk of the Court system which will send a notice of electronic filing to the following:

George B. Patricoff
Assistant County Prosecutor
301 West Third Street; 5th Floor
Dayton, Ohio 45402
Counsel for Montgomery County Treasurer

David E. Cliffe
525 Vine Street, Suite 800
Cincinnati, Ohio 45202
Attorney for Defendant PNC Bank

Peter and Susan Newman
594 Garden Road
Dayton, Ohio 45419
Defendants

State of Ohio, Department of Taxation
c/o Ohio Attorney General Lindsey McCarron
150 E. Gay Street, 21st Floor
Columbus, Ohio 43215

/s/ Mary E. Lentz

Mary E. Lentz

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Plaintiff,)	JUDGE Steven K. Dankof
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v.)	MAGISTRATE David H. Fuchsman.
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Peter K. Newman, et al.)	<u>SUPPLEMENTAL AFFIDAVIT IN</u>
)	<u>SUPPORT OF PLAINTIFF'S MOTION</u>
Defendants.	)	<u>FOR SUMMARY JUDGMENT ON</u>
	)	<u>DEFENDANTS' COUNTERCLAIM FOR</u>
	)	<u>VIOLATION OF FDCA</u>

I, Dorothy Thomas, being first duly sworn, state that the following facts are true based upon my personal knowledge and information I have learned through a review of PNC Bank, National Association's business records:

1. I am of the age of majority and am competent to testify with respect to the following matters.
2. I am Mortgage Officer of PNC Mortgage, a division of PNC Bank, National Association ("PNC"), successor by merger to National City Bank, successor by merger to National City Mortgage Co ("NCMC). I am authorized to make this Affidavit on behalf of PNC. I have responsibility for, and knowledge of, the files and documents related to the above-captioned matter and of the procedures involved in foreclosures of loans originated by PNC or its predecessors that are sold to Federal Home Loan Mortgage Corporation ("Freddie Mac") as an investor.
3. I am familiar with and have access to the records of PNC with respect to the loan referenced herein. These records are kept in the course of PNC's regularly conducted loan administration activities and it is the regular practice of PNC to keep these records. I have

personally reviewed the documents, records, and other data relied on to make the statements in this Affidavit.

4. In general, when a loan originated by one of PNC's predecessors, such as NCMC, was sold to an investor, unless the particular investor required assignment and physical transfer of the mortgage note, the note remained in the possession of the originator and the originator was responsible for its servicing. Servicing involves collecting and crediting payments from the borrower, administering the loan, handling escrow, maintaining loan paperwork, etc. A servicer keeps a percentage of the mortgage payments it collects from the borrowers as its servicing fee and sends the rest of the funds to the investor. The servicer's obligations concerning what to do if the note went into default would be described in the particular investor's servicing guide or in the servicer's contract with the investor. Unless the loan is sold with servicing rights (i.e. servicing rights are also released to the investor upon sale of the loan), the investor gains only the right to receive income from the mortgage.

5. With respect to loans purchased by Freddie Mac, when it purchases a loan from the originator, it does not normally take physical possession of the mortgage note and does not normally record an assignment of the mortgage note. With respect to loans sold by NCMC to Freddie Mac, NCMC would historically keep physical possession of the notes evidencing borrower obligations on those loans and would act as servicers for Freddie Mac.

6. Freddie Mac's servicing guide, relevant portion of which is attached here as Exhibit A (Chapter 66: Foreclosure), expressly requires servicers of its loans to initiate and complete foreclosures on the loans in which Freddie Mac invests. (See Section 66.1 stating "The Servicer must initiate foreclosure . . . Freddie Mac requires the Servicer to manage the foreclosure process to acquire clear and marketable title to the property in a cost-effective,

expeditious and efficient manner”; Section 66.2 at diagram titled “Process for all Mortgages that are delinquent or in default” indicating that Servicer must initiate and complete foreclosures).

7. On the loans it purchases, Freddie Mac never itself initiates foreclosures and does not otherwise seek to enforce mortgage notes securing borrowers’ obligations on the loans, unless a written assignment of the particular note and mortgage is executed by the loan originator assigning the note and mortgage to Freddie Mac. Once an assignment is made, only the party to whom the note and mortgage are assigned can enforce them.

8. Once the obligations under a mortgage note are enforced by foreclosing on the mortgage securing the debt evidence by the note, the note is cancelled and can no longer be enforced by any other entity.

9. With respect to Susan and Peter Newman’s (the “Newmans”) loan, it was originated by NCMC when the Newmans gave NCMC a Note dated May 16, 2003 for \$300,000 that was secured by the Mortgage, also date May 16, 2003, on the property located at 594 Garden Road, Dayton, OH 45419 (the “Property”).

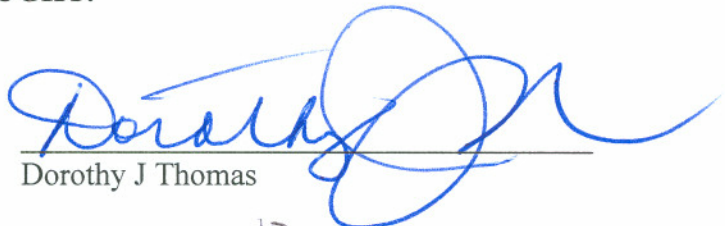
10. On August 3, 2003, sold the Newman’s loan to Freddie Mac, but the Note and Mortgage remained in NCMC’s possession and were never assigned to Freddie Mac. NCMC remained the holder and servicer of the Note and Mortgage.

11. With respect to the Newmans’ loan, Freddie Mac bought from NCMC (a) the right to receive income from the payments on the Note actually collected by NCMC and (b) in case of Newmans’ default, the right to receive the proceeds from the foreclosure sale. (See Exhibit A at Section 66.61). Because no assignment of the Note and Mortgage took place, Freddie Mac did not buy from NCMC any rights to pursue the Newmans in any way for their failure to make payments under the Note.

12. On November 9, 2009, through its merger with National City Bank, PNC acquired all assets and obligations of NCMC, including all of its rights and obligations to service and enforce the Note. Freddie Mac remained having only the right to receive income from the payments made by the Newmans under the Note and proceeds of the foreclosure sale in case of the Newmans' default.

13. When PNC initiated these proceedings to enforce the Newmans' obligations under the Note by foreclosing on the Mortgage, it was both the servicer and holder of the Note. PNC is the only party that can enforce the terms of the Note and Mortgage because of (1) its contractual obligation to Freddie Mac to carry out the foreclosure on the Newmans' Mortgage and (2) its status as holder of the Note. Once the foreclosure is completed and a judgment is entered in this case, the Note evidencing the Newmans' loan obligation will be cancelled and no other party will be able to enforce it.

FURTHER AFFIANT SAYETH NAUGHT.


Dorothy J Thomas

Sworn to before me and subscribed in my presence this 10 day of August, 2011.



KEELY C. CLINE, Notary Public
In and for the State of Ohio
My Commission Expires July 30, 2013


NOTARY PUBLIC
My Commission Expires: 7-30-13

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.1: Introduction (01/14/11)

66.1: Introduction (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The **Servicer** must initiate foreclosure **in accordance with this chapter** when there is no viable alternative to foreclosure. Additionally, **Freddie Mac requires the Servicer** to manage the foreclosure process to acquire title to the property in a cost-effective, expeditious and efficient manner.

At least monthly, and preferably more often, **the Servicer** must communicate with the foreclosure attorney or trustee to obtain updates on the case and provide the attorney or trustee with necessary documentation or information.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.1: Introduction (Future effective date 10/01/11)

66.1: Introduction (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

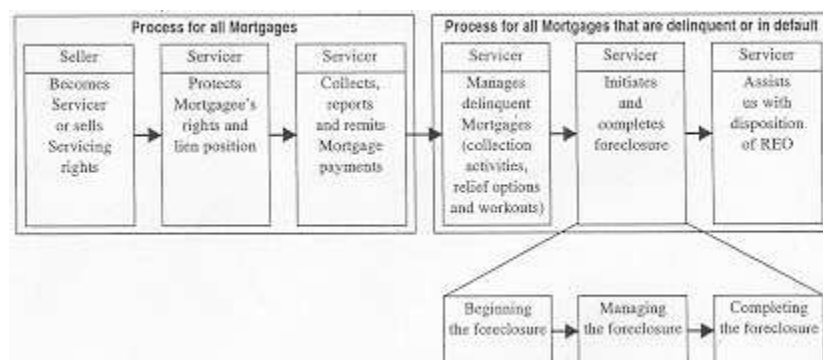
The **Servicer** must initiate foreclosure **in accordance with this chapter only** when there is no viable alternative to foreclosure. Additionally, **Freddie Mac requires the Servicer** to manage the foreclosure process to acquire **clear and marketable** title to the property in a cost-effective, expeditious and efficient manner.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.2: Foreclosure process (01/14/11)

66.2: Foreclosure process (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The requirements necessary to process foreclosures **are outlined** in this chapter. Foreclosure occurs in the part of the Mortgage servicing cycle represented by the fifth box in the following process flow. This process flow gives **the Servicer** a general overview of the process for performing foreclosures.



Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.2: Foreclosure process (Future effective date 10/01/11)

66.2: Foreclosure process (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.3: Foreclosure contents (01/14/11)

66.3: Foreclosure contents (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

Topic	Section(s)
Beginning the foreclosure	
Overview	66.6-66.7
Timing for initiating foreclosure	66.8-66.11
Approving initiation of foreclosure	66.12-66.14
Selecting foreclosure counsel or trustee	66.15
Initiating foreclosure	66.16-66.21
Managing the foreclosure	
Overview	66.22-66.23
Monitoring the foreclosure process	66.24-66.29
Monitoring the foreclosure time lines	66.30-66.33
Maintaining the property	66.34-66.36
Completing the foreclosure	
Overview	66.37-66.38
Obtaining the value of the property	66.39-66.41
Preparing bidding instructions	66.42-66.46
Preserving deficiency rights	66.47-66.52
Completing the foreclosure	66.53-66.58
Completing third-party sale	66.59-66.62
Expense reimbursement and foreclosure reporting	
Overview	66.63-66.64
Reimbursing foreclosure expenses	66.65-66.69
Reports Freddie Mac sends Servicers	66.70-66.73
Credit Repository and Internal Revenue Service (IRS) Reporting	66.74-66.75

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.3: Foreclosure process (Future effective date 10/01/11)

66.3: Foreclosure process (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

The requirements necessary to process foreclosures are outlined in this chapter.

Topic	Section(s)
Beginning the foreclosure	
Overview	66.6-66.7
Timing for initiating foreclosure	66.8-66.11
Approving initiation of foreclosure	66.12-66.14
Selecting foreclosure counsel or trustee	66.15
Initiating foreclosure	66.16-66.21
Managing the foreclosure	
Overview	66.22-66.23
Monitoring the foreclosure process	66.24-66.29
Monitoring the State foreclosure time lines	66.30-66.33
Maintaining the property	66.34-66.36
Completing the foreclosure	
Overview	66.37-66.38
Obtaining the value of the property	66.39-66.41
Preparing bidding instructions	66.42-66.46
Preserving deficiency rights	66.47-66.52
Delivering clear and marketable title	66.53
Vesting title and avoiding transfer taxes	66.54
File retention	66.55
Reporting foreclosure sale results	66.56
Completing third-party sales	66.59-66.62
Expense reimbursement and reporting to other entities	
Expense reimbursement	66.63
Credit Repository and Internal Revenue Service (IRS) Reporting	66.74-66.75

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.4: General requirements (01/14/11)

66.4: General requirements (01/14/11)

When processing a foreclosure, the Servicer must comply with:

1. The terms and conditions of the Mortgage documents
2. Applicable federal, State and local laws and customs
3. Requirements of FHA, VA, Rural Housing Service (RHS) or the mortgage insurer (MI), if applicable

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.5: Freddie Mac's

rights (06/30/11)

66.5: Freddie Mac's rights (06/30/11)

Freddie Mac reserves the right to:

1. Select the foreclosure counsel or trustee
2. Direct and manage the actions taken by the foreclosure counsel or trustee, on a case-by-case or individual State basis
3. Assess **compensatory fees** and/or seek repayment of losses sustained due to errors, omissions or delays by **the Servicer** or **its** agent

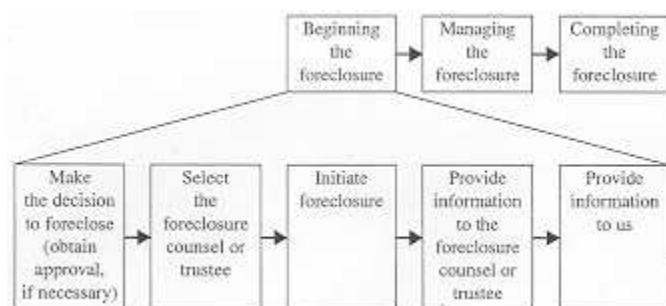
If **Freddie Mac** determines that **the Servicer has** directly or indirectly passed or charged to **Freddie Mac any non-reimbursable** expenses itemized in Section 71.24 or charged **Freddie Mac** for Servicing obligations covered by the Servicing Spread (as set forth in Section 54.4) or in violation of Section 54.5(a), then **Freddie Mac may pursue any or all the remedies specified in the Guide and the other Purchase Documents, as applicable.**

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.6: Beginning the foreclosure process (01/14/11)

66.6: Beginning the foreclosure process (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

This section specifies the requirements necessary to begin foreclosure. Beginning foreclosure is the first stage in the foreclosure process, as shown below. This process flow **provides** a general overview of the process for beginning foreclosure. Refer to the requirements in this chapter for more details.



Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.6: Beginning the foreclosure process (Future effective date 10/01/11)

66.6: Beginning the foreclosure process (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.7: Beginning the foreclosure contents (02/01/96)

66.7: Beginning the foreclosure contents (02/01/96)

Changes to these requirements have been announced and will become effective on 10/01/11.

Topic	Section(s)
Timing for initiating foreclosure	66.8-66.11
Approving initiation for foreclosure	66.12-66.14
Selecting foreclosure counsel or trustee	66.15
Initiating foreclosure	66.16-66.21

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.7: Beginning the foreclosure contents (Future effective date 10/01/11)

66.7: Beginning the foreclosure contents (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.8: Initiation of foreclosure (01/14/11)

66.8: Initiation of foreclosure (01/14/11)

Initiation of foreclosure is the submission of a Mortgage case and appropriate foreclosure documentation to litigation (foreclosure) counsel or trustee after taking all appropriate actions to accelerate the Mortgage. The Servicer is considered to have initiated foreclosure on the date the case is sent to the foreclosure counsel or trustee.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.9: When to initiate foreclosure on a First-Lien Mortgage (01/14/11)

66.9: When to initiate foreclosure on a First-Lien Mortgage (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The Servicer must initiate foreclosure on a First-Lien Mortgage no later than 150 days from the Due Date of Last Paid Installment (DDLPI) (120th day of Delinquency) unless a workout or relief option has been approved or the property has one of the conditions in Section 66.12.

Additionally, unless Freddie Mac requires the Servicer to obtain Freddie Mac's approval prior to initiating foreclosure, if the Borrower has abandoned the property, then the Servicer must initiate foreclosure as soon as it is legally possible to do so. Refer to Section 66.12.

The Servicer must comply with the requirements of the FHA, VA, Rural Housing Service (RHS) or MI, if applicable.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.9: Pre-referral account review (Future effective date 10/01/11)

66.9: Pre-referral account review (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

Following expiration of the breach letter (refer to Section 64.5 regarding requirements for sending out the breach letter), and once the second Borrower Solicitation Package Borrower response time frame has expired without affirmative response from the Borrower, but in no event less than seven days prior to referral to foreclosure, the Servicer must review the Mortgage account to verify that: it made every attempt to achieve quality right party contact in accordance with Section 64.4, and there is no approved payment arrangement or pending alternative to foreclosure offer for which the Borrower response period has not expired.

In the event that the Servicer finds that there is an approved payment arrangement or a pending offer for an alternative to foreclosure for which the Borrower response period has not expired, then the Servicer must not refer the Mortgage to foreclosure.

The Servicer must document the results of their review in its Mortgage file or servicing system.

Servicers must not postpone foreclosure referral due to the pending review of an escalated case. (Refer to Section 51.5.1 for Servicer requirements regarding escalated cases.)

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.9.1: When to initiate foreclosure on a First-Lien or a Second Mortgage/Home Improvement Loan (HIL) (Future effective date 10/01/11)

66.9.1: When to initiate foreclosure on a First-Lien or a Second Mortgage/Home Improvement Loan (HIL) (Future effective date 10/01/11)

The Servicer must initiate foreclosure on a First-Lien Mortgage no later than 150 days from the Due Date of Last Paid Installment (DDLPI) (120th day of Delinquency) when the pre-referral account review indicates that there is not an approved payment arrangement or a pending alternative to foreclosure offer.

However, a Mortgage must not be referred to foreclosure if:

- A complete Borrower Response Package is received and the Servicer is still within the 30-day time period for evaluating the package (Note: If a complete Borrower Response Package is submitted after the loan is referred to foreclosure, the foreclosure process continues while an evaluation is being performed for an alternative to foreclosure.); or
- The Servicer has extended an offer for an alternative to foreclosure, and the period for the Borrower's response has not expired; or
- The Borrower is approved for mortgage assistance under the Hardest Hit Funds initiative as set forth in Bulletin 2010-25
- The Borrower has accepted an offer for an alternative to foreclosure and is performing in accordance

with its terms

On a Second Mortgage/HIL the Servicer must submit a recommendation to Freddie Mac to initiate foreclosure no later than 150 days from the Due Date of Last Paid Installment (DDLPI) (120th day of Delinquency). See Section 66.13 for details on submitting the recommendation to Freddie Mac.

Additionally, unless Freddie Mac requires the Servicer to obtain Freddie Mac's approval prior to initiating foreclosure (refer to Section 66.12 for instances where Freddie Mac must approve the referral of the Mortgage to foreclosure), if the Borrower has abandoned the property, then the Servicer may initiate foreclosure as soon as it is legally possible to do so.

The Servicer must comply with the foreclosure referral requirements of the FHA, VA, Rural Housing Service (RHS) or MI, if applicable.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.9.2: Solicitation during the foreclosure process (Future effective date 10/01/11)

66.9.2: Solicitation during the foreclosure process (Future effective date 10/01/11)

(a) applicable. applicable.

Continued collection efforts and solicitation during the foreclosure process

Attempts to contact the Borrower and related loss mitigation solicitations must continue throughout the foreclosure process and up to 60 days prior to a foreclosure sale date for judicial foreclosures or 30 days prior to a foreclosure sale date for non-judicial foreclosures, unless:

- The Servicer has established quality right party contact with the Borrower and determined that the Borrower does not intend to pursue an alternative to foreclosure, or
- The Servicer has previously evaluated the Borrower for all alternatives to foreclosure and determined foreclosure is the appropriate course of action

Loss mitigation solicitations while the Mortgage is in foreclosure must be communicated to and coordinated with the foreclosure attorney, as appropriate. A Servicer must keep the attorney/trustee informed of the status of relevant alternative to foreclosure negotiations and must notify the attorney/trustee within two Business Days after arrangements for an alternative to foreclosure have been agreed to or within two Business Days after the Mortgage is fully reinstated.

(b) Solicitation from the foreclosure attorney/trustee

Within five Business Days following the foreclosure referral, but no later than the 125th day of Delinquency, the foreclosure attorney/trustee must send a post-referral to foreclosure solicitation letter. A model solicitation letter is included in Exhibit 94, Post-Referral to Foreclosure Solicitation Letter. Use of the model letter is optional; however, it illustrates the level of specificity that is deemed to be in compliance with the requirements of this section. (Note: The post-referral to foreclosure solicitation letter may be sent at a later date, but no later than necessary to comply with applicable law.)

This attorney/trustee post-referral to foreclosure solicitation letter must communicate the following:

- The Servicer may have sent to the Borrower one or more Borrower Solicitation Packages

- The Borrower can still be evaluated for an alternative to foreclosure even if the Borrower previously indicated disinterest
- If the Borrower has not received or no longer has the Borrower Solicitation Package, then the Borrower should contact the Servicer to obtain a Borrower Solicitation Package
- The Borrower must submit a complete Borrower Response Package to the Servicer in order to be considered for alternatives to foreclosure
- The Servicer's contact information for submitting a complete Borrower Response Package

The attorney/trustee may:

- Amend the post-referral to foreclosure solicitation letter to address situations where a court could fail or refuse to halt the sale
- Include contents of the Borrower Solicitation Package as set forth in Section 64.6(c) with the post-referral to foreclosure solicitation letter provided to the Borrower
- Combine other notices and disclosures, when appropriate, with the post-referral to foreclosure solicitation letter

applicable.applicable.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.10: When to initiate foreclosure on a Second Mortgage/Home Improvement Loan (HIL) (01/14/11)

66.10: When to initiate foreclosure on a Second Mortgage/Home Improvement Loan (HIL) (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The Servicer must submit a recommendation to Freddie Mac to initiate foreclosure no later than 150 days from the Due Date of Last Paid Installment (DDLPI) (120th day of Delinquency) on a Second Mortgage/HIL. See Section 66.13 for details on submitting the recommendation to Freddie Mac.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.10: When to initiate foreclosure on a Second Mortgage/Home Improvement Loan (HIL) (Future effective date 10/01/11)

66.10: When to initiate foreclosure on a Second Mortgage/Home Improvement Loan (HIL) (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.11: Delaying initiation of foreclosure (01/14/11)

66.11: Delaying initiation of foreclosure (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

If **the Servicer** is waiting for a decision from **Freddie Mac** on a workout recommendation, **the Servicer** is still required to initiate foreclosure as required in Section 66.9 or 66.10 unless **the Servicer** obtains approval in writing from **Freddie Mac** to postpone the initiation. To obtain this approval, **the Servicer must** submit Form 105, Multipurpose Loan Servicing Transmittal, to **Freddie Mac (see Directory 5)**.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.11: Delaying initiation of foreclosure (Future effective date 10/01/11)

66.11: Delaying initiation of foreclosure (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.12: Approving initiation of foreclosure on a First-Lien Mortgage or Second Mortgage/Home Improvement Loan (HIL) in First-Lien position (01/14/11)

66.12: Approving initiation of foreclosure on a First-Lien Mortgage or Second Mortgage/Home Improvement Loan (HIL) in First-Lien position (01/14/11)

The Servicer is responsible for initiating foreclosure on a First-Lien Mortgage, or a Mortgage originated as a Second Mortgage/**Home Improvement Loan (HIL)** that is now in First Lien position. **The Servicer does** not need **Freddie Mac's** approval unless one or more of the following conditions exist.

If the Property Has...	Then The Servicer Must...	And...
Hazardous Substances located on or near that could impact the habitability, value or occupancy of the property	Request Freddie Mac's approval to initiate foreclosure by submitting Form 105, Multipurpose Loan Servicing Transmittal, for a First-Lien Mortgage or Form 102, Second Mortgage/HIL Servicing Transmittal, to Freddie Mac (see Directory 5) within five Business Days of discovering the condition	Freddie Mac will approve or deny the initiation of foreclosure and provide any necessary instructions to the Servicer
Damage from fire, flood or natural or man-made disaster		
Deteriorated and requires asset preservation or the property is a Manufactured Home that has significantly decreased in value		
A forfeiture action being litigated		

If the 2- to 4- unit property was built before 1978 and located in Massachusetts, or built before 1960 and located in New York City (Brooklyn, Bronx, Manhattan, Queens or Staten Island), refer to the requirements in Section 66.14 before initiating foreclosure.

Refer to Chapter 67, Adverse Matters, for additional Servicing requirements for Servicing Mortgages on distressed properties.

Refer to Chapter 68, Servicing Mortgages Impacted by a Disaster, for additional requirements for Mortgages secured by properties affected by a disaster.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.12.1: Approving initiation of foreclosure on Mortgaged Premises owned by Borrowers in active military service (06/30/11)

66.12.1: Approving initiation of foreclosure on Mortgaged Premises owned by Borrowers in active military service (06/30/11)

The Servicemembers Civil Relief Act of 2003, [as amended](#), and other applicable laws contain provisions regarding foreclosure of Mortgaged Premises. [The Servicer](#) must be familiar and comply with these laws.

If a Borrower is on active duty, [the Servicer](#) must request [Freddie Mac's](#) approval to initiate foreclosure by submitting to [Freddie Mac \(see Directory 5\)](#) Form 105, Multipurpose Loan Servicing Transmittal, for a First Lien Mortgage and Form 102, Second Mortgage/HIL Servicing Transmittal, for a Second Mortgage/HIL. [The Servicer](#) must include information regarding any statutory protection the Borrower is entitled to and whether the Borrower has invoked such protection.

Servicers must not initiate or resume foreclosure for at least 90 days after a service member has been released from active duty [or, if applicable, such longer period as specified in the following paragraph](#). During this period, [the Servicer](#) must work with the Borrower to explore all [available workout and](#) relief options [as provided in the Guide](#). If no alternative [to foreclosure](#) is agreed upon during this period, [the Servicer](#) must submit Form 105, Multipurpose Loan Servicing Transmittal, to [Freddie Mac \(see Directory 5\)](#) for [Freddie Mac's](#) approval to proceed with foreclosure.

Pursuant to the Housing and Economic Recovery Act of 2008, [as amended in 2010](#), Servicers must not initiate or resume foreclosure for at least nine months after the service member has been released from active duty, [when the release occurs on or before December 31, 2012](#). During this period, all other requirements in this section and Chapter 82 continue to apply.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.13: Approving initiation of foreclosure on a Second Mortgage/Home Improvement Loan (HIL) (06/30/11)

66.13: Approving initiation of foreclosure on a Second Mortgage/[Home Improvement Loan \(HIL\)](#) (06/30/11)

To initiate foreclosure on a Mortgage originated as a Second Mortgage/HIL, which is still in second lien position, [the Servicer](#) must obtain [Freddie Mac's](#) approval by completing and submitting Form 102, Second Mortgage/HIL Servicing Transmittal, to [Freddie Mac \(see Directory 5\)](#).

When [the Servicer](#) submits a recommendation to [Freddie Mac \(see Directory 5\)](#), it [must](#) include:

1. The name of the owner of the first [mortgage](#) and the name, address, phone number and contact person of the Servicer of the first [mortgage](#) on the form
2. A payoff statement for the first [mortgage](#)

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.14: Tenant-occupied properties built before 1978 (06/30/11)

66.14: Tenant-occupied properties built before 1978 (06/30/11)

Before initiating foreclosure on a **tenant occupied property built before 1978**, the **Servicer** must conduct a search of records at the local oversight authority that administers lead-based paint law and/or health code compliance (such as a **State or local** Department of Health or Department of Housing) to determine whether there are any outstanding lead-based paint or health code citations or violations against the property or property owner.

If there are any outstanding citations or violations, or if the **Servicer** is aware of any lead-based paint litigation affecting the property or property owner, then the **Servicer** must notify **Freddie Mac** (see **Directory 5**) of the situation by submitting Form 105, Multipurpose Loan Servicing Transmittal, in addition to the following:

1. The number and ages of children less than seven years old residing in the property
2. A copy of the citation
3. Copies of documentation related to a lead-based paint violation

After reviewing the documentation, **Freddie Mac** will provide the **Servicer** with instructions on the course of action to take.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.15: How to select foreclosure counsel or trustee (06/30/11)

66.15: How to select foreclosure counsel or trustee (06/30/11)

The **Servicer** is responsible for selecting attorneys and trustees, and its selection decisions must not be influenced by inappropriate considerations. Refer to Section 54.5 for additional information on prohibitions relating to foreclosure and bankruptcy referrals.

When making foreclosure and bankruptcy referrals, the **Servicer** must ensure that it is diversifying referrals by engaging in a relationship with at least two law firms, or trustees, in higher-volume States (States in which the **Servicer** has 250 or more Freddie Mac foreclosure and bankruptcy referrals in a calendar year).

In higher-volume States, the **Servicer** must take one of the following approaches to diversifying foreclosure and bankruptcy referrals:

1. The **Servicer** must make foreclosure and bankruptcy referrals on Mortgages it services on behalf of Freddie Mac to at least two law firms or trustees, ensuring that at least a substantial minority of the referrals are made to the law firm or trustee that receives the fewest referrals, or
2. The **Servicer** must make foreclosure and bankruptcy referrals to at least two law firms or trustees, with respect to its entire servicing portfolio, ensuring that at least a substantial minority of the referrals are made to the law firm or trustee that receives the fewest referrals.

If the **Servicer** fails to diversify its foreclosure and bankruptcy referrals in a higher-volume State, **Freddie Mac** may deny the **Servicer's** foreclosure and bankruptcy fees and costs in that State and assess the **Servicer** a compensatory fee of \$500.

In addition, all **Servicers** must have a contingency plan in place, either in the form of a stand-alone document or incorporated into policies and procedures, to redirect new foreclosure and bankruptcy referrals in the event a law firm or trustee the **Servicer** is using is no longer able to accept new referrals.

The Servicer must use the same entity that it retains to represent it in a bankruptcy action on a Mortgage to process the foreclosure.

The foreclosure counsel or trustee must be free from any conflict of interest with the Borrower.

(a)

Foreclosure on a property in a State where Freddie Mac has designated counsel or trustees

Freddie Mac has designated counsel or trustees in the following selected States:

1. Arizona
2. California
3. Connecticut
4. District of Columbia
5. Florida
6. Georgia
7. Illinois
8. Indiana
9. Maryland
10. Massachusetts
11. Michigan
12. Nevada
13. New Jersey
14. New York
15. North Carolina
16. Ohio
17. Pennsylvania
18. South Carolina
19. Texas
20. Virginia
21. Washington
22. West Virginia

The Servicer must use one of Freddie Mac's designated counsel or trustees for the foreclosure (unless the Mortgage on which the Servicer is foreclosing was sold to Freddie Mac with recourse or it is an FHA Mortgage, VA Mortgage, or Section 502 GRH Mortgage) if the Mortgage is secured by a:

1. 2- to 4- unit property in **Arizona**, California, Connecticut, **the District of Columbia**, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, Nevada, **New Jersey**, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Virginia, Washington **or West Virginia**
2. A Manufactured Home in **Arizona**, California, Connecticut, **the District of Columbia**, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, Nevada, **New Jersey**, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Virginia, Washington **or West Virginia**
3. 1- to 4- unit property in Texas and the Mortgage was a **Texas Equity Section 50(a)(6) Mortgage**

Additionally, **Freddie Mac** may require **the Servicer** to use **Freddie Mac's** designated counsel or trustees on 1-unit properties in one or more of the selected States based on **Freddie Mac's** evaluation of **the Servicer's** foreclosure performance. **Freddie Mac** will notify **the Servicer** in writing if **the Servicer** must use designated counsel or trustees in **any of** the selected States.

Refer to Exhibit 79, Designated Litigation Counsel/Trustee, **which is available at** http://www.freddiemac.com/service/msp/design_counsel.html, for a listing of the designated counsel or trustees in the applicable States. Even if **the Servicer** is not required to use designated counsel or trustees, **the Servicer** may elect to use them for foreclosures or bankruptcies in **any of** the **States** listed in Exhibit 79. Because **the Servicer** must use the same entity for all related legal actions, if **it** retained bankruptcy counsel that is not a designated counsel, **the Servicer** must not refer the foreclosure to one of **Freddie Mac's** designated counsel.

(b) Foreclosure on a property in a State where **Freddie Mac does not have designated counsel or trustees or when **the Servicer** is not required to use designated counsel or trustees**

Unless **the Servicer** uses **Freddie Mac's** designated counsel or trustees as required in Section 66.15 (a), **the Servicer** must select either a foreclosure counsel or trustee, as appropriate under applicable law, to represent **the Servicer** in the foreclosure action.

The Servicer must use the same entity to conduct a foreclosure and any bankruptcy pertaining to a particular Mortgage. In those States where it may be common practice to use a trustee to conduct a foreclosure, the trustee must be associated with a bankruptcy law firm meeting the criteria specified in Section 53.1.1. Any bankruptcy filed on a Mortgage in foreclosure being processed by a trustee, must be handled by the trustee's associated bankruptcy law firm. The trustee and the associated bankruptcy law firm must transfer information regarding the case seamlessly and must not in any way increase the bankruptcy or **State** foreclosure time lines.

The foreclosure counsel or trustee **the Servicer** chooses must meet the eligibility requirements in Section 53.1.1.

When selecting the foreclosure counsel or trustee, **the Servicer** must base the selection on the prior performance of the foreclosure counsel or trustee in the following areas:

1. Completing foreclosures
2. Delivering clear and marketable title to **Freddie Mac**
3. Facilitating reinstatements and workouts with Borrowers
4. Resolving litigation delays (foreclosure counsel only)

The Servicer must communicate **Freddie Mac's State** foreclosure time line expectations and **Freddie Mac's** allowable fee schedule to the foreclosure counsel or trustees whom **the Servicer** selects. **The**

Servicer must also communicate to the attorney or trustee that if they pay the Servicer or its vendor, either directly or indirectly, for any of the Servicing obligations covered by the Servicing Spread or any expenses itemized in Section 71.24, Freddie Mac may preclude the attorney or trustee who pays any such expenses on Freddie Mac Mortgages from processing future foreclosures or bankruptcies for Freddie Mac.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.15.1: Compensatory fee for failure to use designated counsel or trustee when required (06/30/11)

66.15.1: **Compensatory fee for failure to use designated counsel or trustee when required (06/30/11)**

If **the Servicer** is required to use **Freddie Mac's** designated counsel or trustee for a foreclosure and **the Servicer** uses another counsel or trustee, **Freddie Mac** will **assess the Servicer** \$500 and **Freddie Mac** will not reimburse **the Servicer** for any foreclosure expenses that **it** incurs. Additionally, **Freddie Mac** may assess the **compensatory fees** described in Section 66.33, if applicable.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.15.2: Use of designated counsel or trustees and foreclosure time line penalties (01/14/11)

66.15.2: Use of designated counsel or trustees and foreclosure time line penalties (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The Servicer will not be penalized for a foreclosure and/or bankruptcy handled by a designated counsel or trustee that is not completed within **Freddie Mac's** required time lines, as long as the delay was not caused by **the Servicer's** failure to refer the Mortgage to foreclosure **in accordance with the Guide requirements** and/or send all of the documentation, information, signatures and/or funds to the designated counsel or trustee as required.

If **the Servicer** elects to use **Freddie Mac's** designated counsel or trustees, and **the Servicer does** not use that same designated counsel or trustee for both foreclosure and bankruptcy, **Freddie Mac** will not give **the Servicer** credit for using designated counsel or trustees for purposes of foreclosure time line penalty protection.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.15.2: Foreclosure counsel and trustee fees (Future effective date 10/01/11)

66.15.2: **Foreclosure counsel and trustee fees (Future effective date 10/01/11)**

These requirements will become effective on 10/01/11. View current requirements.

Foreclosure counsel or trustee fees must be reasonable and comparable to those customarily charged in the area where the property is located. Exhibit 57A, Approved Attorney Fees and Title Expenses, provides **Freddie Mac's expense limits for attorney fees. The Servicer must obtain Freddie Mac's written approval prior to incurring attorney fees in excess of the expense limits. Refer to Section 71.11 for details on obtaining Freddie Mac's written pre-approval for exceeding the expense limits in Exhibit 57A. The attorney fees in Exhibit 57A do not apply to Mortgages referred to designated counsel. Servicers must pay designated counsel for the fees they submit on the 104DC claim; Freddie Mac will reimburse the Servicer for those amounts submitted on the 104DC claim.**

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume

2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.16: Initiating foreclosure (01/14/11)

66.16: Initiating foreclosure (01/14/11)

After taking all appropriate actions to accelerate the Mortgage, the Servicer must initiate foreclosure with the foreclosure counsel or trustee. If Freddie Mac needs to execute a document for the Servicer to conduct the foreclosure, the Servicer must submit the document with Form 105, Multipurpose Loan Servicing Transmittal, to Freddie Mac (see Directory 5).

(a) Designated counsel or trustee

1. Send the designated counsel or trustee the following information by facsimile transmission or other electronic means:
 - a. Name, mailing address and telephone number of the Borrower(s)
 - b. Property address (if different from the Borrower's mailing address)
 - c. A statement that the Mortgage is a Freddie Mac-owned Mortgage and includes the nine-digit Freddie Mac loan number
 - d. Name and address of the person to contact in the Servicer's foreclosure department
2. Submit the Mortgage case file and appropriate foreclosure documentation, as outlined in Section 66.19, to the designated counsel or trustee

(b) Non designated counsel or trustee

Submit the Mortgage case file and appropriate foreclosure documentation to the foreclosure counsel or trustee.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.16.1: Initiating foreclosure on a Mortgage secured by a Manufactured Home (06/30/11)

66.16.1: Initiating foreclosure on a Mortgage secured by a Manufactured Home (06/30/11)

In addition to the requirements in Section 66.16, if the Mortgage is secured by a Manufactured Home, the Servicer must notify the foreclosure attorney or trustee that the property is a Manufactured Home when it submits the case to the foreclosure attorney or trustee. The Servicer must also provide the attorney/trustee with evidence that the property is legally classified as real property under the laws in the State where the property is located.

(a)

Evidence that the property is real property in a non-certificate of title State

The Servicer must provide the foreclosure attorney or trustee with copies of the following documentation in non-certificate of title States (see Section H33.7) evidencing that the Manufactured Home and the land are real property under the laws of the State where the property is located:

- Information stating the legal basis (statutory or common law) for determining that the Manufactured Home is real property that is exempt from certificate of title requirements. This information may be included in the documentation received at origination of the Mortgage from the title insurance company that the Manufactured Home is real property, and

- Evidence that a certificate of title has not been issued, such as the manufacturer's statement of origin, if the manufacturer's statement of origin is not required to be surrendered to a State agency

(b) Evidence that the property is real property in a certificate of title surrender State

The **Servicer** must provide the foreclosure attorney or trustee with copies of the following documentation in certificate of title surrender States (see Section H33.7) evidencing that the Manufactured Home and the land are real property under the laws of the State where the property is located:

- A certificate of cancellation, notification letter or other acknowledgment from the Department of Motor Vehicles (DMV) or the appropriate State agency to which the certificate of title was surrendered, or a copy of the documents submitted in connection with the surrender along with evidence that the documents were delivered and received by the appropriate State agency, and
- Copies of the documents, such as an affidavit of affixture, recorded in the land records as part of the title surrender procedures to show the Manufactured Home has been converted to real property

(c) Evidence of clear and marketable title to the Manufactured Home and land in certificate of title States

The **Servicer** must provide the foreclosure attorney or trustee with the following documentation in certificate of title States (see Section H33.7) evidencing the Borrower's ownership of both the Manufactured Home and the land on which it is permanently affixed and documentation evidencing that the land is legally classified as real property under the laws in the State where the property is located:

- The original or a copy of the certificate of title showing the Borrower as owner of the Manufactured Home. The certificate of title must have a notation of the original Seller/Servicer's security interest in the Manufactured Home in the name of the Seller and its successors in interest and assigns and have a notation of all intervening assignments from the original mortgagee to each successive Servicer, ending with the current Servicer, and
- A copy of the deed evidencing ownership of the land showing the owner of the land on the deed to be identical to the owner of the Manufactured Home on the certificate of title

This and any other relevant information must be provided within five days of the initiation of foreclosure so that the foreclosure attorney or trustee has the information necessary to simultaneously enforce the liens (whenever possible) and so as not to **unnecessarily** lengthen **the** foreclosure **process**.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.17: Foreclosing in the Servicer's name (04/01/11)

66.17: Foreclosing in **the Servicer's name (04/01/11)**

The **Servicer** must instruct the foreclosure counsel or trustee to process the foreclosure in **the Servicer's** name.

If an assignment of the Security Instrument to **Freddie Mac** has been recorded, then the Security Instrument must be assigned back to **the Servicer** before the foreclosure counsel or trustee files the first legal action. Refer to Section 66.18 for an explanation of first legal action.

To have the Security Instrument assigned back to **the Servicer**, **the Servicer** must submit a completed assignment with Form 105, Multipurpose Loan Servicing Transmittal, to **Freddie Mac (see Directory 9)**. **Freddie Mac** will execute the assignment and return it to **the Servicer** within seven Business Days of receiving the documents.

If **the Servicer is** foreclosing on a Mortgage registered with the Mortgage Electronic Registration Systems Inc. (MERS), **the Servicer** must **prepare** an assignment of the Security Instrument from MERS to **the Servicer** and instruct the foreclosure counsel or trustee to foreclose in **the Servicer's** name and take title in **Freddie Mac's** name according to the requirements of Section 66.54. **The Servicer must** record the prepared assignment where required by State law. State mandated recordings are non-reimbursable by Freddie Mac, are not considered part of the Freddie Mac allowable attorney fees and must not be billed to the Borrower.

If the Mortgage is an FHA, Section 502 GRH or VA Mortgage, then **the Servicer must** follow FHA, **Rural Housing Service (RHS)** or VA guidelines to determine in whose name the foreclosure action should be brought.

If **the Servicer is** foreclosing on a property in the State of Oregon, **the Servicer** must destroy any unrecorded assignment to Freddie Mac no later than 10 days after the date **the Servicer** refers the foreclosure to **its** foreclosure attorney or trustee. If the Borrower subsequently reinstates his or her Mortgage, **the Servicer does** not need to prepare a new assignment to Freddie Mac. Refer to Section 22.14 for additional information on **Freddie Mac's** requirements for assignments of the Security Instrument.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.18: What is the first legal action? (12/16/02)

66.18: What is the first legal action? (12/16/02)

The first legal action is the first public action required in the jurisdiction where the property is located, such as filing a complaint or petition, recording a notice of default, or publication of a notice of sale.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.18.1: Choosing a judicial or nonjudicial foreclosure process (01/14/11)

66.18.1: Choosing a judicial or nonjudicial foreclosure process (01/14/11)

In States where **the Servicer has** the option of pursuing a judicial or nonjudicial foreclosure process, **the Servicer** must choose the nonjudicial process. However, if **the Servicer** believes **its** filing of a judicial foreclosure will preserve the right to pursue a deficiency judgment, **the Servicer** must obtain **Freddie Mac's** approval prior to initiating the judicial foreclosure. **The Servicer** must request **Freddie Mac's** approval by submitting a completed Form 105, Multipurpose Loan Servicing Transmittal, to **Freddie Mac (see Directory 5)** with an explanation **of the** request and any supporting documentation. Refer to Section 66.47 regarding when to request **Freddie Mac's** approval to preserve deficiency rights.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.19: What is appropriate foreclosure documentation? (01/14/11)

66.19: What is appropriate foreclosure documentation? (01/14/11)

Appropriate foreclosure documentation includes all documents required by the foreclosure counsel or trustee to complete the first legal action. **The Servicer** must continue to comply with applicable law, but at a

minimum, must supply the foreclosure attorney or trustee with the following:

1. Copies of the Note (or the original Note if required by applicable law) evidencing the indebtedness along with any intervening assignments, endorsements, powers of attorney or any applicable modifying instrument, such as a modification, a conversion agreement or an assumption of indebtedness and release of liability agreement
2. Mortgage or Deed of Trust
3. Copy of the original title insurance policy
4. Copy of the breach, acceleration or demand letter sent to the Borrower
5. Military affidavits
6. Executed Substitution of Trustee, as necessary
7. Payoff statement with per diem interest as of the date of the foreclosure referral

If the Servicer uses Freddie Mac's designated counsel/trustee to process a foreclosure, the Servicer must refer to Exhibit 79, Designated Counsel/Trustee, for the required documentation the Servicer must supply to initiate a foreclosure.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.20: Obtaining the original Note (01/14/11)

66.20: Obtaining the original Note (01/14/11)

If the original Note is needed to perform the foreclosure, the Servicer must request the Note from the Document Custodian holding the Note by submitting to the Document Custodian a completed Form 1036, Request for Release of Documents, or an electronic or system-generated version of the form (or, in the case of the Designated Custodian, a copy of the electronically generated 1036 Release Receipt Report) in accordance with the requirements of Section 18.4(e).

If there is a full or partial reinstatement of the Mortgage, the Servicer must return the Note to the Document Custodian with either the original Form 1036 or a copy.

For foreclosures referred to designated counsel, if the Servicer fails to provide the above information in a timely manner as required by the designated counsel, the designated counsel may request the Note from the Document Custodian holding the Note by submitting to the Document Custodian a completed Form 1036DC, Designated Counsel's Request for Release of Documents. The designated counsel may contact the Servicer to identify the Document Custodian holding the Note, and the Servicer must cooperate in providing the necessary information. In addition, the Servicer must pay any release fees and expenses required by the Document Custodian.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.21: Reporting requirements (06/30/11)

66.21: Reporting requirements (06/30/11)

The Servicer must notify Freddie Mac via an Electronic Default Reporting (EDR) transmission within the first three Business Days of the month following the month that the Servicer initiated foreclosure. Use a default action code of 43 and provide the date foreclosure was initiated. For additional information on EDR

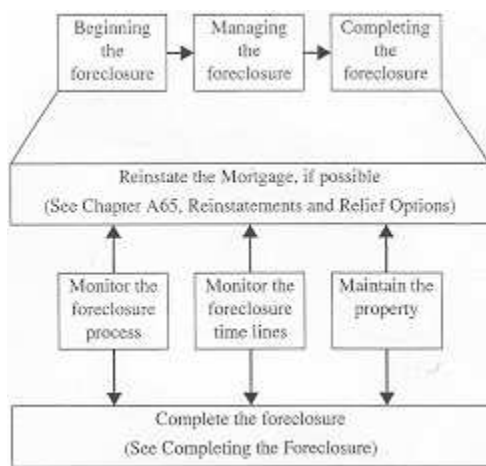
requirements, refer to Section 64.10.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.22: Managing the foreclosure process (01/14/11)

66.22: Managing the foreclosure process (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The requirements necessary to manage a foreclosure are detailed in this section. Managing a foreclosure is the second stage in the foreclosure process, as shown below. This process flow provides a general overview of the process for managing a foreclosure. Refer to the requirements in this chapter for more details.



Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.22: Managing the foreclosure process (Future effective date 10/01/11)

66.22: Managing the foreclosure process (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.23: Managing the foreclosure contents (02/01/99)

66.23: Managing the foreclosure contents (02/01/99)

Changes to these requirements have been announced and will become effective on 10/01/11.

Topic	Section(s)
Monitoring the foreclosure process	66.24-66.29
Monitoring the foreclosure time lines	66.30-66.33

Maintaining the property

66.34-66.36

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.23: Managing the foreclosure process (Future effective date 10/01/11)

66.23: Managing the foreclosure process (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

The requirements necessary to manage a foreclosure are detailed in Sections 66.24 through 66.36.

Topic	Section(s)
Managing the foreclosure process	66.24-66.29
Monitoring the State foreclosure time lines	66.30-66.32
Maintaining the property	66.34-66.36

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.24: Servicer's responsibility to work with foreclosure counsel or trustee (03/23/11)

66.24: Servicer's responsibility to work with foreclosure counsel or trustee (03/23/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

Once the Servicer has initiated foreclosure on a Mortgage, the Servicer must work with the foreclosure counsel or trustee and:

1. Monitor the progress of the foreclosure
2. Facilitate prompt and efficient completion of the foreclosure proceedings and acquisition of clear and marketable title, including conducting the foreclosure in a way that will expedite an eviction of the tenant or Borrower
3. Facilitate reinstatement, when possible

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.24: Servicer's responsibility to work with foreclosure counsel or trustee (Future effective date 10/01/11)

66.24: Servicer's responsibility to work with foreclosure counsel or trustee (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

Once the Servicer has initiated foreclosure on a Mortgage, the Servicer must work with the foreclosure counsel or trustee and to:

1. Identify any viable alternatives to foreclosure
2. Monitor the progress of the foreclosure

3. Facilitate prompt and efficient completion of the foreclosure proceedings and acquisition of clear and marketable title, including conducting the foreclosure in a way that will expedite an eviction of the tenant or Borrower

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.25: Providing information to the foreclosure counsel or trustee; Servicer use of connectivity and invoice processing systems (04/01/11)

66.25: Providing information to the foreclosure counsel or trustee; Servicer use of connectivity and invoice processing systems (04/01/11)

(a) Responsibility to provide information to foreclosure counsel or trustee

For any Mortgage that the Servicer refers for foreclosure, the Servicer must provide complete written reinstatement or payoff figures to the attorney, trustee, workout specialist or outsourcing vendor requesting the information. This information must be provided within two Business Days of the date on which a written request is received. The Servicer may provide the written reinstatement or payoff figures via a paper document, facsimile or e-mail.

If the foreclosure counsel or trustee requests additional documentation from the Servicer (such as certificates of judgment or proofs of claim) while a case is pending, the Servicer must provide the additional documentation within two Business Days of receiving the request.

(b) Connectivity and invoice processing systems

A Servicer, whether acting directly or through any vendor, service provider or outsourcing company may employ electronic monitoring, management, reporting or information and document delivery processes technology, referred to here as a "Connectivity System," and an invoice processing system as outlined below.

Connectivity System

A Servicer may employ a Connectivity System to assist with fulfilling Servicing obligations such as:

- Packaging and referring foreclosure and bankruptcy cases to attorneys and trustees;
- Communicating information and delivering documents between the Servicer and its attorneys and trustees as well as any other third parties requiring access to the Connectivity System; and
- Managing and monitoring foreclosure and bankruptcy cases.

If a Servicer uses a Connectivity System:

- Freddie Mac will reimburse a Servicer for the actual cost of the connectivity fee up to the maximum expense limit specified in Exhibit 57, 1- to 4- Unit Property Approved Expense Amounts;
- The Servicer must provide all attorneys and trustees use of and access to the identical Connectivity System;
- The Servicer must permit, or continue to permit, attorneys and trustees to integrate their own technology systems with the Connectivity System at no cost to the attorneys or trustees; and
- The Servicer must not pass on any Connectivity System related charges to the Borrower or the

attorney or trustee.

Invoice processing system

A Servicer may employ an invoice processing system for managing the submission and payment of invoices.

If a Servicer, whether acting directly or through a vendor or outsourcing company, processes attorney or trustee invoices electronically:

- Freddie Mac will reimburse the Servicer for the actual cost of the invoicing fee up to the maximum expense limits specified in Exhibit 57; and
- The Servicer must not pass on any invoice processing related charges to the Borrower or the attorney or trustee.

The amounts specified in Exhibit 57 for connectivity and invoice processing systems are the maximum amounts for which a Servicer may seek reimbursement for the life of the default (i.e., the duration of the foreclosure, including any related bankruptcy referral).

For example, if a Servicer has already referred a file to foreclosure and it then becomes necessary to take action with respect to a bankruptcy related to such Mortgage, or if a Servicer has already referred a file for bankruptcy and foreclosure has commenced following the bankruptcy referral, the Servicer may be reimbursed only for one connectivity fee. Likewise in this scenario, if the Servicer is using an invoice processing system, then the Servicer may only seek reimbursement for one invoicing fee associated with the foreclosure and for one invoicing fee associated with the bankruptcy during the life of the default.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.25.1: Monthly foreclosure reporting (06/30/11)

66.25.1: Monthly foreclosure reporting (06/30/11)

Once the Servicer has reported that foreclosure is initiated on a Mortgage (refer to Section 66.21), the Servicer must report a default action code 68 (Date of first legal action) with the corresponding date of the first legal action (as defined in Section 66.18). The Servicer must continue to report that the Mortgage is in foreclosure in its monthly Electronic Default Reporting (EDR) transmission using a default action code of 43 (Referred to foreclosure) until:

- The Servicer reports the results of a foreclosure sale or the execution of a deed-in-lieu of foreclosure, or
- The Servicer reports that the Mortgage is fully reinstated or paid off, or
- A workout is completed

For additional information on EDR requirements, refer to Section 64.10.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.26: Responding to and reporting Borrower defenses (06/30/11)

66.26: Responding to and reporting Borrower defenses (06/30/11)

(a) Responding to Borrower defenses

The Servicer must respond to legal actions, such as bankruptcy and contested foreclosure, brought by the Borrower during the foreclosure. Refer to Chapter 67 for specific requirements for handling bankruptcy matters.

(b) Reporting a bankruptcy filing

If the Borrower files bankruptcy during the foreclosure process, the Servicer must report the bankruptcy filing to Freddie Mac. The Servicer must submit this notification via an Electronic Default Reporting (EDR) transmission within the first three Business Days of the month following the month that the bankruptcy was filed. The Servicer must include the date of the filing and the applicable default action code to indicate the bankruptcy chapter number, as shown below.

Bankruptcy Chapter	Default Action Code
Chapter 12 bankruptcy petition filed	59
Chapter 7 bankruptcy petition filed	65
Chapter 11 bankruptcy petition filed	66
Chapter 13 bankruptcy petition filed	67

The Servicer must also notify Freddie Mac when the bankruptcy plan is confirmed by using a default action code of 69 (Bankruptcy plan confirmed), and provide the date the plan was confirmed. The Servicer must continue to report each month that the Borrower is in bankruptcy until the bankruptcy is cleared or the stay lifted and the Servicer has reported the event to Freddie Mac.

When the bankruptcy is cleared or the stay is lifted, the Servicer must notify Freddie Mac via an EDR transmission within the first three Business days of the month following the month that the action occurred. Use a default action code of 76 (Bankruptcy court clearance obtained/stay lifted) and provide the date that the action occurred.

For additional information on EDR requirements refer to Section 64.10.

(c) Reporting a contested foreclosure and/or other litigation

The Servicer must notify Freddie Mac of a contested foreclosure. The Servicer must also notify Freddie Mac of any pending litigation that affects the enforceability of the Mortgage or the marketability of the property securing the Mortgage. (Refer to Section 67.17.) The Servicer must submit this notification via an EDR transmission within the first three Business Days of the month following the month that the action occurred. Use a default action code of 33 (Contested foreclosure and litigation) and provide the date that the action occurred.

The Servicer must report each month that the foreclosure is being contested or about the other litigation as long as the case is pending.

For additional information on EDR requirements, refer to Section 64.10.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.27: Reimbursement of expenses for responding to Borrower defenses (05/17/11)

66.27: Reimbursement of expenses for responding to Borrower defenses (05/17/11)

Freddie Mac will reimburse the Servicer for Freddie Mac's proportionate share of expenses for responding to Borrower defenses. Refer to Chapter 71 for details regarding expense reimbursements.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.28: Reporting lead-based paint violations (01/14/11)

66.28: Reporting lead-based paint violations (01/14/11)

If during the foreclosure process the Servicer is notified that lead-based paint violations exist on the property, then the Servicer must report such violations on Form 105, Multipurpose Loan Servicing Transmittal, to Freddie Mac (see Directory 5) within five Business Days of learning of the violation. The Servicer must include:

1. The number and ages of children less than seven years old residing in the property on the form
2. A copy of the citation
3. Copies of documentation related to a lead-based paint violation

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.29: Expenses that may become First Liens on the property (01/14/11)

66.29: Expenses that may become First Liens on the property (01/14/11)

The Servicer must obtain bills, and make payment for all expenses requiring payment under the Security Instrument. Such expenses may include, but are not limited to, real estate or personal property taxes, special assessments, water bills, ground rents and other charges including condominium, homeowners association (HOA) and Planned Unit Development (PUD) regular assessments, that are, or may become, a First Lien priority on the property or that if not paid would result in the subordination of Freddie Mac's interest in the property. If the Borrower's Escrow Funds are insufficient to pay these items as they become due during foreclosure, or if there is no Escrow account or if the Escrow account does not hold funds for these expenses, the Servicer must advance funds to pay these expenses, when and to the extent necessary, to protect Freddie Mac's interest in the property.

The Servicer must contact Freddie Mac (see Directory 5) and obtain Freddie Mac's approval before advancing payment of these expenses on low balance Mortgages that are at least 120 days delinquent and for which escrow is insufficient to pay charges when due (see UPB requirements for low balance Mortgages in Section B65.50).

Additionally, the Servicer must contact Freddie Mac (see Directory 5) and obtain Freddie Mac's written approval before making payments to taxing authorities when federal, State or local income tax liens would take priority over Freddie Mac's First Lien position.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.30: Foreclosure time lines (01/14/11)

66.30: Foreclosure time lines (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

A foreclosure time line is the time it takes to process a foreclosure. The time line is measured in days from

the **Due Date of Last Paid Installment (DDLPI)** to the date of the foreclosure sale.

Therefore, the time line consists of the time it should take to initiate foreclosure (see Sections 66.9 and 66.10), and the time it should take from the initiation of foreclosure to the foreclosure sale date.

The time line does not include any post-sale redemption or confirmation periods.

Freddie Mac has a time line for each State which is the number of days it should take to process a foreclosure in the State under most circumstances.

If the foreclosure sale was delayed due to one of the circumstances in Section 66.32, **Freddie Mac** will adjust the time line to account for the delay.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.30: State foreclosure time lines (Future effective date 10/01/11)

66.30: State foreclosure time lines (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

A foreclosure time line is the time it takes to process a foreclosure. The time line is measured in days from the **Due Date of Last Paid Installment (DDLPI)** to the date of the foreclosure sale.

Therefore, the time line consists of the time it should take **from the Due Date of Last Paid Installment (DDLPI) to the date the Mortgage is referred to an attorney or trustee for** foreclosure (see Sections 66.9 and 66.10), **plus** the time it takes from the **referral date** of foreclosure to the foreclosure sale date.

The time line does not include any post-sale redemption or confirmation periods. **Freddie Mac** has a time line for each State which is the number of days it should take to process a foreclosure in the State under most circumstances.

For conventional Mortgages, the Servicer must complete the foreclosure sale within the foreclosure time line (from Due Date of Last Paid Installment to foreclosure sale) for the State in which the property is located, as listed in Exhibit 83, Freddie Mac State Foreclosure Time Lines. The Servicer must comply with FHA, RHS and VA time lines for all FHA, RHS and VA Mortgages.

If the foreclosure sale was delayed due to one of the **allowable State foreclosure time line delays** listed in Section 66.32, the time line **from DDLPI to the foreclosure sale date will be increased** to account for the allowable delay based on the information the Servicer reports to Freddie Mac via Electronic Default Reporting. Refer to Exhibit 83A, Determining State Foreclosure Time Line Compensatory Fees, for details on how Freddie Mac determines the additional time to be granted for allowable delays.

The Servicer must have procedures and processes in place to manage its State foreclosure time line performance. To assist with monitoring performance, the Servicer may access reports on foreclosures completed during the prior month that Freddie Mac provides each month through Timeline ManagerSM at <http://www.freddiemac.com/singlefamily/service/tools.html>. The reports will be based on information and data the Servicer reported to Freddie Mac. Servicers should review the reports each month to ensure the information and data they reported was complete and accurate.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.30.1: Reporting the scheduled foreclosure sale date (06/30/11)

66.30.1: Reporting the scheduled foreclosure sale date (06/30/11)

The Servicer must notify Freddie Mac via an Electronic Default Reporting (EDR) transmission within the first three Business Days of the month following the month that a foreclosure sale has been scheduled, by reporting a default action code of 71 (Foreclosure sale scheduled) along with the scheduled sale date. When the Servicer reports the scheduled foreclosure sale in its EDR transmission, the Servicer must also indicate that the Mortgage is in foreclosure using a default action code of 43 (Referred to foreclosure). Therefore, the Servicer will be reporting multiple default action codes in the same EDR transmission.

For additional information on EDR requirements, refer to Section 64.10.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.31: Foreclosure time lines by State (01/14/11)

66.31: Foreclosure time lines by State (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

(a) FHA, Rural Housing Service (RHS) and VA Mortgages

The Servicer must comply with FHA, RHS and VA time lines for all FHA, RHS and VA Mortgages.

(b) Conventional Mortgages

The Servicer must complete the foreclosure within the foreclosure time line for the State in which the property is located, as listed in Exhibit 83, Freddie Mac State Foreclosure Time Lines — In Calendar Days.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.31: Foreclosure time lines (Future effective date 10/01/11)

66.31: Foreclosure time lines (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.32: Delays in completing a foreclosure (08/01/11)

66.32: Delays in completing a foreclosure (08/01/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The foreclosure time line for each State will be extended under the following circumstances:

- When a Borrower files for bankruptcy protection, Freddie Mac will add the lesser of the total amount of time in the bankruptcy or 80 days to the foreclosure time line in every State for a Chapter 7 bankruptcy and 125 days for a Chapter 12 or 13 bankruptcy. This allows sufficient time to obtain

relief from the automatic stay in the bankruptcy proceeding. The additional days are included and reflected in the "Seriously Delinquent or Foreclosure Loan Inventory Past Standard criterion of the Servicer Success Scorecard as well as in the foreclosure time line penalty calculation.

- The Servicer is waiting for instructions from Freddie Mac on how to proceed with a distressed property (see Section 67.27 for an explanation of a distressed property)
- A delay imposed by a governmental authority such as probate, government seizures of property and military indulgence under the Servicemembers Civil Relief Act of 2003

Moreover, a Servicer may delay completing the foreclosure if necessary when the delay was required by:

- Applicable federal, State or local law, but only if the delay was necessary or inevitable despite the Servicer's best efforts to incorporate such laws into its foreclosure procedures and time lines
- Emergency, exigent or unusual circumstances that do not occur in the regular course of business and that are both unforeseeable and outside the control of the Servicer

In the case of a delay described above, the penalty will be assessed per Freddie Mac's normal procedure (see Section 66.33). The Servicer may appeal the penalty decision and must provide to Freddie Mac at the time of appeal all information and documentation supporting the claim that the delay was necessary and required.

Freddie Mac's time lines provide the Servicer with the flexibility to postpone a foreclosure sale for a brief period of time to complete a reinstatement or settle an alternative to foreclosure. However, if the postponement of a foreclosure sale will cause the Servicer to exceed Freddie Mac's foreclosure time lines, then the Servicer must obtain Freddie Mac's prior written approval for the postponement. To obtain Freddie Mac's approval, the Servicer must send an e-mail to Freddie Mac (see Directory 5) that includes the following information:

1. Freddie Mac Loan Number
2. Servicer Loan Number
3. Foreclosure sale date
4. Due Date of Last Paid Installment (DDLPI)
5. Attorney name and phone number
6. Complete workout package received, if applicable (Y/N?)
7. Short Payoff closing date, if applicable
8. Reason for the foreclosure sale postponement
9. Proposed rescheduled sale date

Regardless of whether Freddie Mac approves the Servicer's request to postpone the foreclosure sale, in the event a foreclosure sale occurs, the Servicer's performance will be measured against Freddie Mac's State foreclosure time lines (refer to Exhibit 83).

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.32: Allowable delays in completing a foreclosure (Future effective date 10/01/11)

66.32: Allowable delays in completing a foreclosure (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

(a) Allowable State foreclosure time line delays

Exhibit 83, Freddie Mac State Foreclosure Time Lines, sets forth Freddie Mac's foreclosure time line for each State. Freddie Mac's State foreclosure time line (Due Date of Last Paid Installment to foreclosure sale) will be extended for a Mortgage under the following circumstances, provided the Servicer complies with the applicable Electronic Default Reporting (EDR) requirements. (Refer to Section 64.10 for information on EDR reporting requirements.):

- When a Borrower files for bankruptcy protection
- Delays due to probate, military indulgence under the Servicemembers Civil Relief Act of 2003 or similar State law providing relief to active duty military service members, and contested foreclosures
- Delays incurred during the period the Borrower is evaluated for Home Affordable Modification Program (HAMP) eligibility but is determined to be ineligible for HAMP
- Delays caused by the Borrower entering into a HAMP Trial Period plan but failing to comply with the terms of the plan

Refer to Exhibit 83A, Determining State Foreclosure Time Line Performance Compensatory Fees, for information on how Freddie Mac calculates the additional time granted for each of the allowable delays listed above.

Moreover, a Servicer may delay completing the foreclosure if necessary when the delay was required by:

- Applicable federal, State or local law, but only if the delay was necessary or inevitable despite the Servicer's best efforts to incorporate such laws into its foreclosure procedures and time lines
- Emergency, exigent or unusual circumstances that do not occur in the regular course of business and that are both unforeseeable and outside the control of the Servicer
- The Servicer is waiting for instructions from Freddie Mac on how to proceed with a distressed property (see Section 67.27 for an explanation of a distressed property)

Regardless of a delay for any of the above three reasons, the Servicer's State foreclosure time line performance will be measured against Freddie Mac's State foreclosure time line and compensatory fees. The Servicer may appeal the decision and must provide to Freddie Mac at the time of appeal any and all information and documentation supporting the claim that the delay was necessary and required.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.32.1: Foreclosure sale postponements (Future effective date 10/01/11)

66.32.1: Foreclosure sale postponements (Future effective date 10/01/11)

If the postponement of a foreclosure sale will cause the Servicer to exceed Freddie Mac's State foreclosure time lines, as listed in Exhibit 83, Freddie Mac State Foreclosure Time Lines, then unless otherwise stated

in this section, the Servicer must obtain Freddie Mac's prior written approval for the postponement. To obtain Freddie Mac's approval, the Servicer must send an e-mail to Freddie Mac (see **Directory 5**) that includes the following information:

1. Freddie Mac Loan Number
2. Servicer Loan Number
3. Foreclosure sale date
4. Due Date of Last Paid Installment (DDLPI)
5. Attorney name and phone number
6. Complete Borrower Response Package is received, if applicable (Y/N?)
7. Short Payoff closing date, if applicable
8. Reason for the foreclosure sale postponement
9. Proposed rescheduled sale date

When determining whether to postpone a foreclosure sale, the Servicer must comply with the requirements in the following table:

Situation (See also Section 66.41)	Type of Foreclosure	Delinquency	Servicer action
A complete Borrower Response Package as set forth in Section 64.6 is received less than 15 days prior to a scheduled foreclosure sale date and the Servicer determines that it needs more time to conduct an expedited review to render a decision by the foreclosure certification date (i.e., seven days prior to the scheduled foreclosure sale date)	Non-judicial	Twelve months or less delinquent	The Servicer may elect to postpone a foreclosure sale date for a period of 30 days, for one occasion only.
Complete Borrower Response Package is submitted prior to the entering of the judgment.	Judicial	All	Servicer must obtain Freddie Mac's approval to postpone the sale (See Directory 5). If Freddie Mac's approval is not granted, the Servicer should proceed with the entering of judgment. If the Borrower enters into an alternative to foreclosure after judgment has been entered, but prior to a scheduled sale date, the Servicer must submit a motion to the court to vacate the judgment and/or cancel the sale.
Servicer has extended an offer for an alternative to foreclosure and the deadline for Borrower response to the	Judicial or Non-judicial	All	The Servicer must not provide the foreclosure certification and must make

offer is after the 7 th day prior to the foreclosure sale date			every effort to stop a scheduled foreclosure sale.
The Servicer exercised its discretion to postpone the foreclosure sale to facilitate resolution of an escalated case. (Refer to Section 51.5.1 for requirements regarding escalated cases.)	Judicial or Non-judicial	All	The Servicer must not provide the foreclosure certification and must make every effort to stop a scheduled foreclosure sale.

Regardless of whether Freddie Mac approves the Servicer's request to postpone the foreclosure sale, in the event a foreclosure sale occurs, the Servicer's performance will be measured against Freddie Mac's State foreclosure time lines (refer to Exhibit 83).

If a foreclosure sale is postponed due to the Servicer failing to provide the foreclosure certification, the Servicer will not receive any credit or consideration of State foreclosure time line compensatory fees and will also be subject to any loss, expenses or other damages.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.33: State foreclosure time line performance assessment (06/30/11)

66.33: State foreclosure time line performance assessment (06/30/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

(a) Determination of State foreclosure time line performance

Based on all foreclosure sales that the Servicer completes in a calendar year, Freddie Mac will measure the Servicer's compliance with Freddie Mac's State foreclosure time lines. To determine the Servicer's overall State foreclosure time line performance, Freddie Mac will complete the following steps:

1. Based on the information that the Servicer reports to Freddie Mac via the monthly Electronic Default Reporting (EDR) submissions and the foreclosure sale/deed in lieu transmission after the completion of the foreclosure sale, Freddie Mac determines how long it took the Servicer to complete each foreclosure
2. Freddie Mac will aggregate the information provided and determine the net number of days which the Servicer either managed within or exceeded Freddie Mac's State foreclosure time line requirements

The result of the aggregation is the net number of days by which the Servicer either met or exceeded Freddie Mac's State foreclosure time lines. Refer to Exhibit 83A, Determining State Foreclosure Time Line Performance Compensatory Fees, for examples of how this calculation is done.

The time lines used in determining the Servicer's performance will be adjusted for the period of time for which the foreclosures were delayed for any of the reasons in Section 66.32.

(b) Remedies and compensatory fees

If the result of the aggregation of the Servicer's State foreclosure time line performance for a calendar year, as set forth in Section 66.33(a), is a determination that the Servicer's performance exceeded Freddie Mac's State foreclosure time line requirements, then the following apply:

1. The Servicer may be required to use foreclosure counsel in a particular State that Freddie Mac designates to process foreclosures
2. The Servicer may be assessed a compensatory fee of \$30 for each day for the net number of days it exceeded Freddie Mac's foreclosure time lines in all States. Freddie Mac will bill the Servicer for such compensatory fees on the Servicer Non-Performing Loans Invoice. Refer to Section 64.2 for information on the payment of Servicing Non-Performing Loans Invoices via an Automated Clearing House draft.
3. If a delay in the foreclosure or bankruptcy process is due to a Servicer not providing information to the counsel or trustee, then Freddie Mac may not reimburse the Servicer for the foreclosure or bankruptcy expenses incurred during the bankruptcy or foreclosure.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.33: State foreclosure time line performance assessment (Future effective date 10/01/11)

66.33: State foreclosure time line performance assessment (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

For Mortgages referred to foreclosure prior to October 1, 2011:

(a) Determination of State foreclosure time line performance

Based on all foreclosures the Servicer completes in a calendar year, Freddie Mac will measure the Servicer's compliance with Freddie Mac's State foreclosure time lines in Exhibit 83, Freddie Mac State Foreclosure Time Lines. To determine the Servicer's overall State foreclosure time line performance, Freddie Mac will complete the following steps:

1. Based on the information that the Servicer reports to Freddie Mac via the monthly Electronic Default Reporting (EDR) submissions and the foreclosure sale/deed in lieu transmission after the completion of the foreclosure sale, Freddie Mac determines how long it took the Servicer to complete each foreclosure
2. Freddie Mac will aggregate the information provided and determine the net number of days which the Servicer either managed within or exceeded Freddie Mac's State foreclosure time line requirements

The result of the aggregation is the net number of days by which the Servicer either met or exceeded Freddie Mac's State foreclosure time lines. Refer to Exhibit 83A, Determining State Foreclosure Time Line Performance Compensatory Fees, for examples of how Freddie Mac calculates compensatory fees.

The time lines used in determining the Servicer's performance will be adjusted for the period of time for which the foreclosures were delayed due to any of the allowable delays in Section 66.32.

(b) Remedies and compensatory fees

If the result of the aggregation of the Servicer's State foreclosure time line performance for a calendar year, as set forth in Section 66.33(a), is a determination that the Servicer's performance exceeded Freddie Mac's State foreclosure time line requirements, then the following apply:

1. The Servicer may be required to use foreclosure counsel in a particular State that Freddie Mac designates to process foreclosures

2. The Servicer may be assessed a compensatory fee of \$30 for each day for the net number of days it exceeded Freddie Mac's foreclosure time lines in all States
3. If a delay in the foreclosure or bankruptcy process is due to a Servicer not providing information to the counsel or trustee, then Freddie Mac may not reimburse the Servicer for the foreclosure or bankruptcy expenses incurred during the bankruptcy or foreclosure.

(c) Servicer appeal process for State foreclosure time line compensatory fees

The Servicer may appeal a pending compensatory fee prior to Freddie Mac billing the compensatory fee.

The Monthly Compensatory Fee Analysis Report of the prior month's estimated State foreclosure time line compensatory fees will be available in the Servicer's Servicer Performance Profile (SPP) on the fifth Business Day of the following month. The Servicer must review the report each month and has 30 days from the date of the report's publication to submit an appeal for the prior month's estimated compensatory fees. The annual bill will not include those Mortgages for which the compensatory fees were waived throughout the year.

Example: A foreclosure sale occurs in October for which the Servicer has exceeded Freddie Mac's State foreclosure time line as listed in Exhibit 83, Freddie Mac State Foreclosure Time Lines, and is subject to a compensatory fee. The Servicer must access the Monthly Compensatory Fee Analysis Report in the Servicer Performance Profile (SPP) available on the fifth Business Day in November. The Servicer then has 30 days from the fifth Business Day to submit an appeal to Freddie Mac (see **Directory 5**).

Note: A Servicer may not appeal a compensatory fee for which they failed to report or incorrectly reported the Electronic Default Reporting.

(d) Billing process for compensatory fees

For Mortgages referred to foreclosure prior to October 1, 2011, Freddie Mac will bill the Servicer for any of the calendar year's compensatory fees on the Servicer Non-Performing Loans Invoice on an annual basis. Refer to Section 64.2 for information on the payment of Servicing Non-Performing Loans Invoices via an Automated Clearing House draft.

For Mortgages referred to foreclosure on or after October 1, 2011:

(a) Determination of State foreclosure time line performance

Freddie Mac will evaluate the Servicer's State foreclosure time line performance on a monthly basis. Based on all foreclosures the Servicer completes in the month being evaluated, Freddie Mac will determine a Servicer's State foreclosure time line performance for each Mortgage that went to foreclosure sale or was deeded to Freddie Mac as a deed-in-lieu of foreclosure in the month being evaluated.

Freddie Mac will determine how long it took the Servicer to complete each foreclosure or deed-in-lieu of foreclosure based on the information that the Servicer reports to Freddie Mac via the monthly Electronic Default Reporting (EDR) submissions and the foreclosure sale/deed-in-lieu transmission after the completion of the foreclosure sale. Freddie Mac will calculate the amount of compensatory fees, if any, in addition to any actual losses, costs or damages caused by Servicer non-compliance with the Guide, including State foreclosure time line requirements.

Refer to Exhibit 83A, Determining State Foreclosure Time Line Performance Compensatory Fees, for details of how this is calculated.

The State foreclosure time lines will be adjusted for any of the allowable State foreclosure time line delays described in Section 66.32 (a), provided the Servicer complied with the applicable EDR requirement. Exhibit 83A lists each of the allowable time line delays and how Freddie Mac calculates the additional time granted for such delays.

(b) Remedies and compensatory fees

If the Servicer's performance exceeded Freddie Mac's State foreclosure time line requirements, then the following apply:

1. The Servicer will be assessed a compensatory fee for exceeding Freddie Mac's State foreclosure time line. (Refer to Exhibit 83A for how such a compensatory fee is calculated.) Freddie Mac will bill the Servicer for such compensatory fees on the Servicer Non-Performing Loans Invoice on a monthly basis if the amount of the monthly compensatory fee exceeds \$1,000.
2. The Servicer may be required to use foreclosure counsel in a particular State that Freddie Mac designates to process foreclosures
3. If a delay in the foreclosure or bankruptcy process is due to a Servicer not providing information to the counsel or trustee, then Freddie Mac may elect to deny reimbursement to the Servicer for the foreclosure or bankruptcy expenses incurred during the bankruptcy or foreclosure

(c) Servicer appeal process for State foreclosure time line compensatory fees

The Servicer may appeal a pending compensatory fee prior to Freddie Mac billing the compensatory fee.

The Monthly Compensatory Fee Analysis Report of the prior month's estimated State foreclosure time line compensatory fees will be available in the Servicer's Servicer Performance Profile (SPP) on the fifth Business Day of the following month. The Servicer must review the report each month and has 30 days from the date of the report's publication to submit an appeal for the prior month's estimated compensatory fees. The monthly bill will not include those Mortgages for which the compensatory fees were waived.

Example: A foreclosure sale occurs in October for which the Servicer has exceeded Freddie Mac's State foreclosure time line as listed in Exhibit 83, Freddie Mac State Foreclosure Time Lines, and is subject to a compensatory fee. The Servicer must access the Monthly Compensatory Fee Analysis Report in the Servicer Performance Profile (SPP) available on the fifth Business Day in November. The Servicer then has 30 days from the fifth Business Day to submit an appeal to Freddie Mac (**see Directory 5**).

Note: A Servicer may not appeal a compensatory fee for which they failed to report or incorrectly reported the Electronic Default Reporting.

(d) Billing process for compensatory fees

The billing cycle for compensatory fees for Mortgages referred to foreclosure on or after October 1, 2011 is on a monthly basis and any compensatory fees will appear on the Monthly Non-Performing Loans Billing Statement two cycles after the date of the foreclosure sale. Refer to Section 64.2 for information on the payment of Servicing Non-Performing Loans Invoices via an Automated Clearing House draft.

2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.34: Preserving the property (05/17/11)

66.34: Preserving the property (05/17/11)

The **Servicer** must take the following actions to preserve and maintain the property during the foreclosure process:

1. Ensure the property is covered by property insurance throughout the foreclosure process, in accordance with the requirements of Section 70.16(a). **This includes taking all actions required in the mortgage clause of all applicable property insurance policies, including, but not limited to, providing all notices to the insurer required under such clause, in order to preserve the coverage and its maximum benefits for the Servicer and/or Freddie Mac, as mortgagee.**
2. Take all necessary steps to protect the property from waste, damage and vandalism
3. Obtain approval from **Freddie Mac** for **any** property preservation expenses that exceed the guidelines in Exhibit 57, 1- to 4- Unit Property Approved Expense Amounts, **by submitting a request for pre-approval of expenses (RPA) to Freddie Mac via the Reimbursement System.**
4. Comply with any **property preservation** requirements of the FHA, **Rural Housing Service (RHS)**, VA or MI, if applicable
5. For leasehold Mortgages, ensure that payments required under the terms of the lease are made to prevent termination of the lease

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.35: Frequency of property inspections (03/23/11)

66.35: Frequency of property inspections (03/23/11)

Refer to Section 65.33 for property inspection requirements.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.36: Reimbursement for property inspection and preservation expenses (06/30/11)

66.36: Reimbursement for property inspection and preservation expenses (06/30/11)

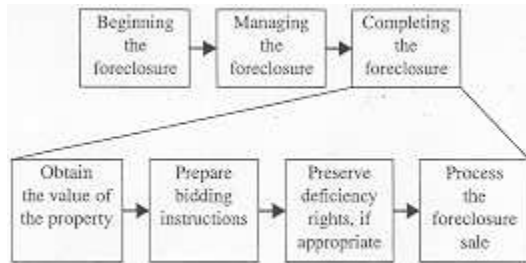
Freddie Mac will reimburse **the Servicer for allowable property preservation and property inspection expenses. See Exhibit 57, 1- to 4- Unit Property Approved Expense Amounts, and Section 71.17 for additional information regarding the reimbursement of property preservation and property inspection expenses.**

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.37: Completing the foreclosure process (01/14/11)

66.37: Completing the foreclosure process (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The **Servicer** will find the requirements necessary to complete a foreclosure in this part of the chapter. Completing a foreclosure is the third stage in the foreclosure process, as shown below. This process flow **provides** a general overview of the process for completing a foreclosure. Refer to the requirements in this chapter for more details.



Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.37: Completing the foreclosure process (Future effective date 10/01/11)

66.37: Completing the foreclosure process (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

The **Servicer** will find the requirements necessary to complete a foreclosure in this part of the chapter.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.38: Completing the foreclosure contents (08/01/97)

66.38: Completing the foreclosure contents (08/01/97)

Changes to these requirements have been announced and will become effective on 10/01/11.

Topic	Section(s)
Obtaining the value of the property	66.39-66.41
Preparing bidding instructions	66.42-66.46
Preserving deficiency rights	66.47-66.52
Completing the foreclosure	66.53-66.58
Completing third-party sale	66.59-66.62

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.38: Completing the foreclosure contents (Future effective date 10/01/11)

66.38: Completing the foreclosure contents (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume

2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.39: When to obtain a valuation for foreclosure sale bidding (01/14/11)

66.39: When to obtain a valuation for foreclosure sale bidding (01/14/11)

If the Mortgaged Premises are located in a State where **Freddie Mac has** designated counsel/trustee, **and Freddie Mac has** required **the Servicer** to use, or **the Servicer** voluntarily uses, designated counsel/trustee, then the designated counsel/trustee will obtain the valuation **from Freddie Mac through BPOdirect®**. Both **the Servicer** and **its** designated counsel will be able to access the valuation in BPOdirect.

(a) Time frame for obtaining a valuation

To ensure **the Servicer has** a valuation in time for the foreclosure sale, **Freddie Mac** recommends that **the Servicer** obtain the value no less than 30 days before the sale (see Section 65.39 for instructions on how to obtain a valuation). **The Servicer** may use an automated value **provided by Freddie Mac through BPOdirect** when available except for foreclosure sale bidding for Mortgages secured by 2- to 4- unit properties or by Manufactured Homes.

If the property is in a State where the sheriff or trustee orders an appraisal to determine the opening bid at a foreclosure sale, **the Servicer** must still order a Broker's Price Opinion (BPO) **through BPOdirect** to determine the maximum bid **the Servicer is** authorized to make on **Freddie Mac's** behalf, which is the lesser of the 90-day fair market value of **Freddie Mac's** BPO or the total debt.

The Servicer does not need to order **another** BPO if **it** already **has** a BPO dated within 120 days of the foreclosure sale date.

(b) Appraisal

If State or local law requires an appraisal report to establish the bid amount for a foreclosure sale, then **the Servicer** must:

1. Obtain **Freddie Mac's** approval prior to ordering the appraisal report by submitting Form 105, Multipurpose Loan Servicing Transmittal, to **Freddie Mac (see Directory 5)** at least 30 days before the scheduled foreclosure sale date
2. After **the Servicer** receives **Freddie Mac's** approval, obtain the appraisal report in sufficient time to complete the foreclosure by the scheduled sale date

Freddie Mac will not reimburse **the Servicer** for appraisal reports on which **the Servicer has** not obtained **Freddie Mac's** prior approval.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.40: Requirements for appraisal reports (01/14/11)

66.40: Requirements for appraisal reports (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

If State or local law requires an appraisal report to establish the bid amount, and **Freddie Mac has** given **the Servicer** approval to obtain an appraisal report pursuant to the provisions of Section 66.39, then the appraisal report must:

1. Be completed in accordance with the requirements in Chapter 44

2. Be dated no more than 120 days before the foreclosure sale date
3. Be completed by an appraiser who meets the requirements of **Chapter 44** and who is free from any conflict of interest or financial interest in the transaction other than the appraiser's reasonable fee for such an opinion
4. Be based on an exterior inspection, if an interior inspection cannot be obtained
5. Document any conditions that relate to the existence of Hazardous Substances or conditions that would affect the habitability, safety, value or occupancy of the property

An appraisal report is valid for 120 days. If **the Servicer** needs to reaffirm the value of the property after 120 days, **the Servicer** must have the appraiser recertify the appraisal report. **The Servicer** must not order a new appraisal report.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.40: Requirements for and reimbursement of appraisal reports (Future effective date 10/01/11)

66.40: Requirements for and reimbursement of appraisal reports (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

(a) Requirements for appraisals

If State or local law requires an appraisal report to establish the bid amount, and **Freddie Mac** has given **the Servicer** approval to obtain an appraisal report pursuant to the provisions of Section 66.39, then the appraisal report must:

1. Be completed in accordance with the requirements in Chapter 44
2. Be dated no more than 120 days before the foreclosure sale date
3. Be completed by an appraiser who meets the requirements of **Chapter 44** and who is free from any conflict of interest or financial interest in the transaction other than the appraiser's reasonable fee for such an opinion
4. Be based on an exterior inspection, if an interior inspection cannot be obtained
5. Document any conditions that relate to the existence of Hazardous Substances or conditions that would affect the habitability, safety, value or occupancy of the property

An appraisal report is valid for 120 days. If **the Servicer** needs to reaffirm the value of the property after 120 days, **the Servicer** must have the appraiser recertify the appraisal report. **The Servicer** must not order a new appraisal report.

(b) Reimbursement of appraisal reports

Freddie Mac will reimburse **the Servicer** for the cost of an appraisal report **ordered** in compliance with Sections 66.39 and 66.40. If **the Servicer** needs to reaffirm the value of the property after 120 days, **Freddie Mac** will reimburse for a recertification of the appraisal report.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.41: Reimbursement for appraisal report expenses (01/14/11)

66.41: Reimbursement for appraisal report expenses (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

Freddie Mac will reimburse the Servicer for the cost of an appraisal report ordered in compliance with Sections 66.39 and 66.40. If the Servicer needs to reaffirm the value of the property after 120 days, Freddie Mac will reimburse for a recertification of the appraisal report.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.41: Complete Borrower Response Packages received after the foreclosure sale has been scheduled (Future effective date 10/01/11)

66.41: Complete Borrower Response Packages received after the foreclosure sale has been scheduled (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

If a complete Borrower Response Package is submitted between 15 and 37 days before a scheduled foreclosure sale date, the Servicer must expedite its review and make a determination regarding the Borrower's request for assistance at least seven days before the scheduled foreclosure sale date. This will ensure that the Servicer will be able to determine whether it must send a foreclosure certification to the attorney/trustee at least seven, but no more than 15 days prior to a scheduled foreclosure sale date, if appropriate or offer the Borrower an alternative to foreclosure.

In cases where a complete Borrower Response Package is received less than 15 days prior to a scheduled foreclosure sale date, the Servicer must first determine whether it can conduct an expedited review of the Borrower Response Package and render a decision by the latest foreclosure certification date (i.e., seven days prior to the scheduled foreclosure sale date) and if so, the Servicer must complete the review. If the Mortgage is subject to non-judicial proceedings, and is 12 months or less delinquent, the Servicer may elect to postpone the foreclosure sale date 30 days, one time, to complete the review. Otherwise, the Servicer should use reasonable efforts to conduct a further review and make a decision by the foreclosure certification date.

Servicers are encouraged to expedite reviews related to Mortgages subject to judicial proceedings if the complete Borrower Response Package is submitted prior to the court's entry of judgment. Judicial postponements require Freddie Mac approval (**See Directory 5**). If Freddie Mac approval is not obtained, Servicers may not object to the court's entry of judgment. However, the Servicer must submit a motion to the court requesting it to vacate the judgment and/or cancel the sale if the Servicer enters into an alternative to foreclosure with a Borrower before the scheduled sale date. If the Servicer has extended an offer for an alternative to foreclosure on or before the seventh day prior to the foreclosure sale, or the Servicer exercised its discretion to postpone the foreclosure sale to facilitate resolution of an escalated case in accordance with Section 51.5.1, the Servicer must not provide the certification and must make every effort to stop a scheduled foreclosure sale. The Servicer is not in violation of this requirement to the extent that:

- A court with jurisdiction over the foreclosure proceeding (if any), or the bankruptcy court in a bankruptcy case, or the public official charged with carrying out the activity or event, fails or refuses to halt some or all activities or events in the matter after the Servicer has made reasonable efforts to move the court or request the public official for a cessation of the activity or event
- The Servicer has taken action to protect the interests of Freddie Mac in response to action taken by the Borrower or other parties in the foreclosure process
- There is not sufficient time following the Borrower's acceptance of the offer for an alternative to

foreclosure for the Servicer to halt the activity or event, provided that the Servicer must not permit a sale to go forward

The Servicer must document in the Mortgage file if any of the foregoing exceptions to the requirement to halt an existing foreclosure action are applicable.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.41.1: Reviews and certifications prior to foreclosure sale (Future effective date 10/01/11)

66.41.1: Reviews and certifications prior to foreclosure sale (Future effective date 10/01/11)

(a) Pre-sale account review by the Servicer

The Servicer must have written policies and procedures requiring a review of the Mortgage at least 30 days prior to the scheduled foreclosure sale date.

The Servicer must review the account history to verify compliance with all required Borrower outreach and solicitation requirements specified in Chapter 64 and that there is no approved payment arrangement or pending alternative to foreclosure offer for which the Borrower response period has not expired. The Servicer must document the results of their review in its Mortgage file or servicing system.

(b) Certification to Foreclosure Attorney/Trustee

At least seven, but no more than 15 days prior to foreclosure sale, the Servicer must review the account and send written certification to the attorney/trustee indicating that the foreclosure sale must continue unless:

- The account review reveals that all Borrower outreach and solicitation requirements have not been achieved, or
- There is an approved payment arrangement or pending alternative to foreclosure offer for which the Borrower response period has not expired, or
- The Servicer exercised its discretion to postpone the foreclosure sale to facilitate resolution of an escalated case. (Refer to Section 51.5.1 regarding escalated cases.)

If any of the above exceptions apply, then the Servicer must not provide the certification and must make every effort to stop a scheduled foreclosure sale.

The Servicer must document the results of its review in its Mortgage file or servicing system.

The Servicer must work with the attorney/trustee to develop a process for receipt of the foreclosure certification to prevent unnecessary delays. If the attorney/trustee cancels the foreclosure sale due to the Servicer's failure to provide the foreclosure certification timely, the Servicer will be subject to compensatory fees for delays resulting from such a cancellation.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.42: Delegated bidding (06/30/11)

66.42: Delegated bidding (06/30/11)

After obtaining the as-is probable sale price of the property with a 90-day marketing time frame **from a broker's price opinion from BPOdirect®** or the estimated market value from the appraisal report, if applicable, **the Servicer** must prepare the bidding instructions for the foreclosure sale. **The Servicer** must offer a bid on all foreclosures. **Freddie Mac delegates to the Servicer** responsibility to establish the bid according to the guidelines in Sections 66.43 through 66.45, unless one of the following conditions exist:

1. It is not in **Freddie Mac's** best interest for **the Servicer** to enter a bid in accordance with the guidelines
2. A hazard insurance claim is pending and the bid will jeopardize the approval or payout of the claim
3. The Mortgage is a Second Mortgage/**Home Improvement Loan (HIL)** (unless the Mortgage is now in First Lien position)

If any of the above conditions exist, **the Servicer** must fax to **Freddie Mac (see Directory 5)** Form 105, Multipurpose Loan Servicing Transmittal, for a First-Lien Mortgage or Form 102, Second Mortgage/HIL Servicing Transmittal, for a Second Mortgage/HIL, at least three Business Days prior to the foreclosure sale date. **Freddie Mac** will send **the Servicer** approval on the bid amount no later than two Business Days after **Freddie Mac receives the Servicer's** request.

If the valuation has been ordered by designated counsel/trustee according to the requirements of Section 66.39, then designated counsel/trustee will determine the beginning bid and final bid at a foreclosure **sale** according to **Freddie Mac's** directions and requirements. Designated counsel may not prepare the bidding instructions for Mortgages with mortgage insurance coverage since the Servicer is responsible to the MI for such bids (see Section 66.44).

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.43: First-Lien Mortgages not covered by mortgage insurance (01/14/11)

66.43: First-Lien Mortgages not covered by mortgage insurance (01/14/11)

For a First-Lien Mortgage not covered by mortgage insurance, **the Servicer** must set the foreclosure bid at an amount equal to the lesser of:

1. 100% of the automated value, or if there is no automated value available or the Mortgage is secured by a 2- to 4- unit property or a Manufactured Home, the "as-is" probable sale price of the property with a 90-day marketing time frame as indicated by the **Broker's Price Opinion (BPO)** (or the estimated market value from the appraisal report if an appraisal report is required by State law), or
2. Total indebtedness, or
3. Such other amount as may be required by State law

If the property valuation has been ordered by designated counsel/trustee according to the requirements of Section 66.39, then designated counsel/trustee will determine the beginning bid and final bid at a foreclosure **sale**.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.44: Mortgages covered by mortgage insurance (01/14/11)

66.44: Mortgages covered by mortgage insurance (01/14/11)

For a First-Lien Mortgage covered by mortgage insurance, **the Servicer** must bid an amount approved by

the MI. If the MI elects not to issue bidding instructions, **the Servicer** must follow the instructions in Section 66.43.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.45: FHA, VA and Rural Housing Service (RHS) Mortgages (01/14/11)

66.45: FHA, VA and **Rural Housing Service (RHS) Mortgages (01/14/11)**

If the Mortgage is a FHA, VA or RHS Mortgage, then **the Servicer** must follow FHA, VA or RHS guidelines for bidding instructions. If the Mortgage is a VA Mortgage, then **the Servicer** may not enter a bid on **Freddie Mac's** behalf in excess of the upset price established by the VA. If **the Servicer does** not receive the VA upset price, **the Servicer** must contact **Freddie Mac** for instructions by submitting Form 105, Multipurpose Loan Servicing Transmittal, to **Freddie Mac (see Directory 5)** at least three Business Days prior to the foreclosure sale.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.46: Failure to bid appropriately (01/14/11)

66.46: Failure to bid appropriately (01/14/11)

The Servicer must bid at the foreclosure sale to preserve **Freddie Mac's** rights to a deficiency according to the requirements in Sections 66.47 through 66.49. **Freddie Mac** may require **the Servicer** to indemnify **Freddie Mac** for any loss **Freddie Mac** incurs due to incorrect bidding that results in **Freddie Mac's** inability to pursue a deficiency or lessens the amount that **Freddie Mac is** able to collect.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.47: When to preserve deficiency rights (01/14/11)

66.47: When to preserve deficiency rights (01/14/11)

The Servicer must identify and recommend to **Freddie Mac** appropriate cases where the pursuit of a deficiency judgment is in **Freddie Mac's** best interest. If the Mortgage has mortgage insurance, **the Servicer** must follow the MI's instructions for pursuing deficiency judgments.

The Servicer is required to preserve **Freddie Mac's** rights to pursue a deficiency in the following States:

Alabama	New Hampshire
Colorado	New Mexico
Delaware	North Carolina
District of Columbia	Ohio
Florida	Rhode Island
Indiana	Tennessee
Maryland	Texas
Massachusetts	Virginia
Mississippi	Wyoming

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.48: States where

preserving deficiency rights is optional (01/14/11)

66.48: States where preserving deficiency rights is optional (01/14/11)

If the property is not located in one of the States listed in Section 66.47, and **the Servicer** believes it is in **Freddie Mac's** best interest to preserve **Freddie Mac's** right to pursue a deficiency against the Borrower, **the Servicer** must complete and submit Form 105, Multipurpose Loan Servicing Transmittal, to **Freddie Mac** (**see Directory 5**) requesting approval. If possible, **the Servicer** should send the recommendation to **Freddie Mac** before **the Servicer** initiates foreclosure. However, under no circumstances should **the Servicer** delay initiating foreclosure to obtain **Freddie Mac's** approval to preserve **Freddie Mac's** deficiency rights.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.49: Abandonment (01/14/11)

66.49: Abandonment (01/14/11)

Preservation of deficiency rights and pursuit of a deficiency should be sought against a Borrower who has abandoned the property. It is **the Servicer's** responsibility to recommend these cases to **Freddie Mac** by submitting Form 105, Multipurpose Loan Servicing Transmittal, to **Freddie Mac** (**see Directory 5**) within five Business Days of discovering the property is abandoned.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.50: Special circumstances requiring Freddie Mac's approval (01/14/11)

66.50: Special circumstances requiring Freddie Mac's approval (01/14/11)

If **the Servicer** knows that delays in the foreclosure process and/or additional costs are going to occur to preserve deficiency rights (this should not occur in the States listed in Section 66.47), then **the Servicer** must obtain **Freddie Mac's** approval by completing and submitting Form 105, Multipurpose Loan Servicing Transmittal, to **Freddie Mac** (**see Directory 5**).

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.51: Working with vendors to collect deficiencies (01/14/11)

66.51: Working with vendors to collect deficiencies (01/14/11)

Freddie Mac may use vendors to assist in the collection of deficiencies. **The Servicer** must assist such vendors to obtain any necessary case file documentation upon the vendor's request.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.52: Reserved (04/14/00)

66.52: Reserved (04/14/00)

This section is reserved.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume

2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.52.1: Assigning deficiency rights after the foreclosure sale (01/14/11)

66.52.1: Assigning deficiency rights after the foreclosure sale (01/14/11)

If the Mortgage has mortgage insurance and is not covered by any other credit enhancement, the Servicer must not execute deficiency assignment documents it may receive from the MI or a third party. These documents must be sent directly to Freddie Mac (see Directory 5). Freddie Mac will coordinate the execution of these assignment documents.

The Servicer may execute deficiency assignment documents that transfer deficiency rights from the Servicer to Freddie Mac when requested by an MI or third-party vendor.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.53: Delivery of clear and marketable title (01/14/11)

66.53: Delivery of clear and marketable title (01/14/11)

(a) Property located in a State without a redemption or confirmation period

When the Servicer is the purchaser of the property at a foreclosure sale, it must ensure that the foreclosure attorney or trustee provides Freddie Mac with clear and marketable title to the property after the foreclosure sale. The title must be free of any liens, claims, defects and encumbrances. The title must be marketable so Freddie Mac can sell the property freely to others.

The the Servicer must instruct the foreclosure counsel or trustee to:

1. Submit the foreclosure deed for recordation within one Business Day after receipt of the deed
2. Obtain the recorder's receipt as evidence that the deed was presented for recordation
3. Send the Servicer the recorder's receipt within three Business Days after receiving it from the recorder
4. Provide the recorded deed to the Servicer within three Business Days after receiving the deed from the recorder's office. The Servicer must retain the deed in the Mortgage file.

(b) Property located in a State with a redemption or confirmation period

After the redemption period has expired or the foreclosure sale has been confirmed, the Servicer must ensure that clear and marketable title is obtained as stated in Section 66.53(a).

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.54: Vesting the title and avoiding transfer taxes (04/01/11)

66.54: Vesting the title and avoiding transfer taxes (04/01/11)

After the foreclosure sale the Servicer must ensure that the title to the property is vested to the appropriate party.

**(a)
Conventional Mortgages**

The Servicer must ensure that its foreclosure counsel or trustee conducts the foreclosure in the Servicer's name and that title to the property is vested in Freddie Mac's name (if the property is not purchased by a third party). This must be done in a manner that does not result in an obligation to pay transfer taxes. Freddie Mac will not reimburse the Servicer for any transfer taxes.

If the foreclosure involves a Manufactured Home in a certificate of title State, the Servicer must conduct the replevin or other legal action necessary to repossess the home in the Servicer's name and have the new certificate of title issued in Freddie Mac's name.

(b) FHA, Section 502 GRH or VA Mortgages

The Servicer must follow FHA, Rural Housing Service (RHS) or VA guidelines for conveying title to the foreclosed property to the applicable agency.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.55: File retention (01/14/11)

66.55: File retention (01/14/11)

The Servicer must maintain accurate and complete records of the foreclosure proceedings for Mortgages in the Mortgage file. The Servicer must maintain the Mortgage file for at least seven years from the date of the foreclosure sale.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.56: Reporting foreclosure sale results (06/30/11)

66.56: Reporting foreclosure sale results (06/30/11)

(a) Reporting requirements

The Servicer must notify Freddie Mac of the results of all foreclosure sales, including successful third-party bids.

1. The Servicer must notify Freddie Mac through the Foreclosure Sale/DIL Transmission via MIDANET® no later than the Business Day immediately following the date of the foreclosure sale
2. If the property was purchased by a third party at the foreclosure sale and the purchase price is not sufficient to pay off the Mortgage, then the Servicer must send Freddie Mac the claim package described in Section 66.61 once the foreclosure sale is confirmed and the Servicer has received the sale proceeds
- 3.

If a Borrower filed a bankruptcy petition of which the Servicer was not aware, and the foreclosure sale has been completed, the sale may not be valid. This situation is known as an "REO rollback." If the Servicer has already notified Freddie Mac of the results of the foreclosure sale, the Servicer must notify Freddie Mac that the sale may be invalid by submitting Form 105 to Freddie Mac (see Directory 5) within one Business Day of learning that the Borrower filed for bankruptcy protection. If the Servicer files a motion for relief of stay with the bankruptcy court to grant the release of the bankruptcy and to validate the foreclosure sale, then the Servicer must follow up to determine the results of the hearing so that the Servicer meets the following time frame.

Once the foreclosure sale is valid, the Servicer must notify Freddie Mac by submitting Form 105 to Freddie Mac (see Directory 5) within five calendar days of the date the judge signs the order validating the foreclosure sale and enters it on the court docket.

4. In the event the Servicer becomes aware of an approved workout after the Servicer has reported the foreclosure sale results to Freddie Mac, the Servicer must contact Freddie Mac immediately (see Directory 5) for further instructions

(b) Compensatory fee for failing to comply with reporting requirements

Failure to comply with the requirements of Section 66.56(a), will result in the assessment of a compensatory fee to the Servicer of \$100 per day for every day that the foreclosure sale is not reported correctly. If the results of the foreclosure sale are not reported correctly by the 30th day after the sale, Freddie Mac may require the Servicer to repurchase the Real Estate Owned (REO) or indemnify Freddie Mac for any loss.

Freddie Mac will bill the Servicer for such compensatory fees on the Servicer Non-Performing Loans Invoice. Refer to Section 64.2 for information on the payment of Servicing Non-Performing Loans Invoices via an Automated Clearing House draft.

The notification is considered to be correctly reported if the Foreclosure Sale/DIL Transmission is accepted by MIDANET when it reaches Freddie Mac and is free of errors.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.57: Reporting redemption period or confirmation date changes (01/14/11)

66.57: Reporting redemption period or confirmation date changes (01/14/11)

The Servicer must notify Freddie Mac if either the projected expiration of the redemption period changes, or the scheduled confirmation date changes from the date the Servicer transmitted via the MIDANET® Foreclosure Sale/DIL Transmission.

The Servicer must report the change by submitting Form 105, Multipurpose Loan Servicing Transmittal, to Freddie Mac (see Directory 6) no later than one Business Day after the Servicer receives notification of the change.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.58: Redemptions (05/17/11)

66.58: Redemptions (05/17/11)

(a) Redemptions of Real Estate Owned (REO) properties

- **Reporting requirements for REO redemptions**

The Servicer must notify Freddie Mac that the REO property is redeemed no later than one Business Day after redemption by completing and submitting Form 105, Multipurpose Loan Servicing Transmittal, to Freddie Mac (see Directory 6) for a 1-unit property or 2- to 4- unit properties. If Freddie Mac must execute any documents related to the redemption, the Servicer must send the documents with Form 105 to the appropriate address.

- **Remitting REO redemption proceeds — 1-unit and 2- to 4-unit properties**

If the property is redeemed, **the Servicer** must forward to Freddie Mac the principal and interest amount due (through the redemption date) and all amounts that are reimbursable by Freddie Mac pursuant to Chapter 71 within five Business Days of receiving the funds. **When** the redemption proceeds include the principal and interest due Freddie Mac and all amounts that are reimbursable to **the Servicer** by Freddie Mac, **a Servicer** may net out any amounts included in the redemption proceeds that are due **to the Servicer** from the Borrower but are not reimbursable by Freddie Mac (e.g., late fees, NSF fees, property inspections and other items permitted by applicable law).

If the redemption proceeds are not sufficient to cover both the principal and interest due Freddie Mac and all amounts that are reimbursable to **the Servicer** by Freddie Mac pursuant to Chapter 71, then **the Servicer** must remit the entire redemption proceeds to Freddie Mac.

Checks should be made payable to the Federal Home Loan Mortgage Corporation and must reference the property address and the nine-digit Freddie Mac loan number on the check. **Remittances** should be forwarded to the appropriate business address below.

Overnight mail or courier deliveries:

JP Morgan Chase
National Wholesale LockBox TX1-0029
14800 Frye Road
Fort Worth, TX 76155
Attn: Freddie Mac #730453

Wire proceeds:

JP Morgan Chase Bank
Benefit FHLMC
55 Water Street
New York, NY 10041
ABA #021000021
FAO: Freddie Mac #9102418887

Submit the claim for the related expenses to **Freddie Mac** via the Reimbursement System available at <http://www.freddiemac.com/singlefamily/service/tools.html>.

(b) Redemptions of properties initially reported as third-party sales

- **Reporting requirements**

If the property was purchased by a third-party at foreclosure sale and is redeemed, send the Form 105, Multipurpose Loan Servicing Transmittal, to **Freddie Mac (see Directory 5)** within one Business Day after redemption. Form 105 must indicate the breakdown of the redemption funds, including principal, interest and any other expenses reimbursed to **the Servicer** by the party redeeming the property.

- **Remittance requirements**

The remittance requirements for redemptions of third-party sales are the same as the remittance requirements for third-party foreclosure sales. If **a Servicer** receives redemption proceeds, **the Servicer** must remit the required principal and interest owed to Freddie Mac (as required in Section 78.16) no later than five Business Days after **the Servicer** receives the proceeds.

Servicers must comply with **the** investor reporting **and remitting** requirements in Chapter 78.

If, after remitting the required amount to Freddie Mac, **the Servicer** is owed reimbursable expenses or reimbursable principal and interest, then **the Servicer** must send **to Freddie Mac** a claim package as described in Section 66.61.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.59: Sales proceeds and reimbursement of fees (01/14/11)

66.59: Sales proceeds and reimbursement of fees (01/14/11)

(a) Remitting the sale proceeds

If a third party purchases the property at the foreclosure sale and the sale price is less than the total indebtedness, **the Servicer** must instruct the foreclosure counsel or trustee conducting the sale to remit the entire sale proceeds to **the Servicer** via overnight mail or wire transfer no later than three Business Days after receiving the proceeds.

(b) Obtaining reimbursement for foreclosure counsel and trustee fees and costs

The foreclosure counsel or trustee must obtain reimbursement of all fees and costs from **the Servicer**. The foreclosure counsel or trustee should not net their fees and/or costs from the sale proceeds check. If the foreclosure was a judicial foreclosure and State law mandates that the sheriff or auctioneer deduct their fees from the sale proceeds before remitting them to the foreclosure counsel or trustee, **the Servicer** must instruct the foreclosure counsel or trustee to send **the Servicer** an accounting of the sheriff's or auctioneer's costs with the sale proceeds.

The Servicer must submit **its** request for reimbursement of any shortage in the sales proceeds so that **Freddie Mac** receives the request no later than 30 days after the date that **the Servicer** receives the sales proceeds. (See Section 66.61 for details on the associated claim package.)

Note: Freddie Mac will not reimburse the Servicer for foreclosure fees and costs incurred on a Mortgage that was sold to Freddie Mac with recourse.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.60: Executing documents (01/14/11)

66.60: Executing documents (01/14/11)

If **Freddie Mac** needs to execute a document related to a third-party foreclosure sale, **the Servicer** must submit Form 105, Multipurpose Loan Servicing Transmittal, to **Freddie Mac (see Directory 5)** with the name of the buyer(s) and include the document **Freddie Mac** needs to execute.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.61: Reporting and remittance requirements (05/17/11)

66.61: Reporting and remittance requirements (05/17/11)

To complete the third-party foreclosure sale when the sale proceeds are less than the total indebtedness, **the Servicer** must complete the following steps:

1. Report the Mortgage as a third-party foreclosure sale using the Loan-Level Transaction in MIDANET® no later than the 2nd Business Day after the Servicer receives the proceeds. When reporting, the Servicer must ensure that the:
 - (a) Foreclosure sale date is the date that the foreclosure sale occurred
 - (b) Ending principal balance is zero
 - (c) Principal collected field is completed with the unpaid principal balance (UPB) as of the last reporting cycle before the Mortgage was inactivated
 - (d) Due Date of Last Paid Installment (DDLPI) is the date of the last fully paid monthly installment
2. Remit the required principal and interest owed to Freddie Mac (as required by Section 78.16) through the automated cash remittance system no later than the 5th Business Day after the Servicer receives the proceeds. See Sections 77.21 and 77.22 for information on initiating a remittance through the cash remittance system

See Section 78.16 for additional reporting and remitting requirements for third-party foreclosures.

If, after remitting the required amount to Freddie Mac, the Servicer is owed reimbursable expenses (pursuant to Chapter 71) or reimbursable principal and interest (pursuant to Section 78.44), then the Servicer must send a claim package to Freddie Mac (see Directory 5).

The claim package must be submitted as a Portable Document Format (PDF) file attachment and include:

- Form 105, Multipurpose Loan Servicing Transmittal, with Section D Indebtedness completed
- Copy of the Broker's Price Opinion (BPO) used for the foreclosure bid
- Copy of the proceeds check
- Itemization of the distribution of the proceeds, if the sale proceeds are less than the sale price (e.g., if the foreclosure court order required the payment of sheriff expenses from the sale price). If the sale proceeds equal 100% of the sale price, then this itemization is not needed.
- Claim for reimbursement of expenses

If Servicer is using the Online Reimbursement System, then the claim will be a hard copy of Freddie Mac Form 104SF, Statement of Loan, Workout and Real Estate Owned (REO) Expenses and Income, with corresponding backup (i.e., copy of payment history for Escrow advances, invoice copies for property preservation expenses, non-designated counsel fees and costs), and

- Hard copy of Freddie Mac Form 104DC, Designated Counsel/Trustee, if the Servicer used Freddie Mac designated counsel for the foreclosure

The Third Party Sales group will forward the Form 104SF and/or Form 104DC to Freddie Mac's Fees and Claims area in order for the Servicer to receive reimbursement of the Servicer's allowable fees and costs.

If the Servicer is using the Reimbursement System, then Freddie Mac will access the claim(s) the Servicer submitted via the Reimbursement System, so there is no need to send Freddie Mac a copy of the claim or corresponding backup documentation for expenses. Freddie Mac will contact the Servicer should it require any expense reimbursement documentation.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.62: Charging off the deficiency (03/23/11)

66.62: Charging off the deficiency (03/23/11)

The amount that Freddie Mac has determined to be charged off will be reflected on the Detail Adjustment Report (DAR). The Servicer must review the DAR and report any discrepancies between its records and the amount on the DAR to Freddie Mac (see **Directory 5**) by submitting Form 1205, Charge-off Reconciliation, within 30 calendar days following Freddie Mac's posting of the amount to the DAR. The DAR may be accessed through Investor Accounting ManagerSM at <http://www.freddiemac.com/singlefamily/service/tools.html>.

Freddie Mac will respond to the Servicer within 30 calendar days of receipt of the Servicer's submission to Freddie Mac.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.63: Expense reimbursement and foreclosure reporting process (01/14/11)

66.63: Expense reimbursement and foreclosure reporting process (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The Servicer will find the requirements necessary to obtain reimbursement for expenses and reporting of foreclosure activity to Freddie Mac in this part of the chapter. Obtaining reimbursement for expenses, and reporting foreclosure activity occurs throughout the foreclosure process, as shown below. This process flow provides you a general overview of the process for obtaining reimbursement for expenses, and reporting. Refer to the requirements in this chapter for more details.



Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.63: Expense reimbursement (Future effective date 10/01/11)

66.63: Expense reimbursement (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

Refer to Chapter 71, Reimbursement of Expenses, for requirements related to Freddie Mac reimbursing the Servicer for expenses.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.64: Expense

reimbursement and foreclosure reporting contents (01/14/11)

66.64: Expense reimbursement and foreclosure reporting contents (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

Topic	Section(s)
Reimbursing foreclosure expenses	66.65-66.69
Reports Freddie Mac sends the Servicer	66.70-66.73
Credit Repository and Internal Revenue Service (IRS) Reporting	66.74-66.75

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.64: Expense reimbursement and foreclosure reporting contents (Future effective date 10/01/11)

66.64: Expense reimbursement and foreclosure reporting contents (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.65: When to request reimbursement (05/17/11)

66.65: When to request reimbursement (05/17/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

Freddie Mac must receive a request for initial reimbursement **of expenses** within 30 days of the foreclosure sale, or the expiration of any applicable confirmation or redemption period, if applicable. **Freddie Mac** reserves the right to refuse any request for reimbursement **it received** after this date. **Refer to Chapter 71 for additional information on expense reimbursement.**

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.65: When to request reimbursement (Future effective date 10/01/11)

66.65: When to request reimbursement (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.66: Amount of reimbursement (05/17/11)

66.66: **Amount of reimbursement** (05/17/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The amount of **any** reimbursement will be proportionate to **Freddie Mac's** interest in the Mortgage. If foreclosure proceedings are discontinued, all available fees and costs **that the Servicer incurs** should be collected from the Borrower unless prohibited by **applicable** law. If **applicable** law prohibits reimbursement from the Borrower, **Freddie Mac and the Servicer** will share the expenses in proportion to **Freddie Mac's and the Servicer's interests** in the Mortgage.

Servicers must not charge the Borrower for any costs or fees that **the Servicer has** not incurred **and** any reinstatement **or relief fees that are not allowed by applicable law or the Purchase Documents**.

The amount of reimbursement **the Servicer** requests must be offset by any positive Escrow balance.

Refer to Chapter 71, for additional information.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.66: Amount of reimbursement (Future effective date 10/01/11)

66.66: Amount of reimbursement (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.67: Foreclosure counsel and trustee fees (01/14/11)

66.67: Foreclosure counsel and trustee fees (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The foreclosure counsel or trustee fees must be reasonable and comparable to those customarily charged in the area where the property is located. Exhibit 57A, Approved Attorney Fees and Title Expenses, provides guidelines for these expenses. **The Servicer** must obtain **Freddie Mac's** written approval prior to incurring fees in excess of the guidelines. Refer to Section 66.69 for details on how to obtain **Freddie Mac's** approval.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.67: Foreclosure counsel and trustee fees (Future effective date 10/01/11)

66.67: Foreclosure counsel and trustee fees (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.68: Foreclosure expenses (05/17/11)

66.68: Foreclosure expenses (05/17/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

Freddie Mac will reimburse the Servicer for Freddie Mac's proportionate share of the foreclosure expenses the Servicer incurs during the foreclosure process. Refer to Chapter 71 for additional information on expense reimbursement.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.68: Foreclosure expenses (Future effective date 10/01/11)

66.68: Foreclosure expenses (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.69: Approval for exceeding expense guidelines (05/17/11)

66.69: Approval for exceeding expense guidelines (05/17/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

Unless the Servicer uses one of Freddie Mac's designated counsel or trustees, the Servicer must obtain Freddie Mac's prior written approval before incurring expenses that exceed the established guidelines. Servicers must submit requests for pre-approval to exceed expense guidelines to Freddie Mac via the Reimbursement System. If a Servicer fails to obtain Freddie Mac's written approval, Freddie Mac will adjust the expense reimbursement to the amount in Exhibit 57A, Approved Attorney Fees and Title Expenses, or Exhibit 57, 1- to 4- Unit Property Approved Expense Amounts, whichever is applicable.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.69: Approval for exceeding expense guidelines (Future effective date 10/01/11)

66.69: Approval for exceeding expense guidelines (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.70: What Freddie Mac will send to a Servicer (01/14/11)

66.70: What Freddie Mac will send to a Servicer (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

In response to the Servicer's monthly Electronic Default Reporting (EDR) transmission, Freddie Mac will

send the reports listed in Sections 66.71 and 66.72 via the Freddie Mail option in MIDANET® for the PC. **The Servicer** must receive these reports via MIDANET for the PC, review them and transmit any necessary information to **Freddie Mac**.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.70: What Freddie Mac will send to a Servicer (Future effective date 10/01/11)

66.70: What **Freddie Mac will send to a Servicer (Future effective date 10/01/11)**

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.71: Default exception report (01/14/11)

66.71: Default exception report (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

One Business Day after transmitting **Electronic Default Reporting** (EDR) information, **the Servicer** will receive the Default Exception Report, which will contain any exceptions and errors on the Mortgages that were reported. **The Servicer** must correct all exceptions/errors documented on the report and transmit the corrected data to **Freddie Mac** by the sixth Business Day of the same month.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.71: Default exception report (Future effective date 10/01/11)

66.71: Default exception report (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.72: Delinquencies/foreclosures not reported (01/14/11)

66.72: Delinquencies/foreclosures not reported (01/14/11)

Changes to these requirements have been announced and will become effective on 10/01/11.

The Servicer will receive the Delinquencies/Foreclosures not Reported report the morning of the fourth Business Day of the month. It identifies any Mortgage that was reported as being in foreclosure during the prior month, but was omitted from the current month's reporting and was not reported as fully reinstated or paid off, or that a foreclosure sale was held, or because a workout option was completed. If the Mortgage is still in foreclosure, **the Servicer** must report on the delinquent Mortgage by the sixth Business Day of the month. If the Mortgage was not reported because a full reinstatement or payoff occurred, a foreclosure sale was held, or a deed-in-lieu of foreclosure was executed, **the Servicer** must report the action to **Freddie**

Mac. Refer to Section 59.4, A65.10, B65.48 or 66.56 for reporting requirements.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.72: Delinquencies/foreclosures not reported (Future effective date 10/01/11)

66.72: Delinquencies/foreclosures not reported (Future effective date 10/01/11)

These requirements will become effective on 10/01/11. View current requirements.

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.73: Default feedback report (8/11/04)

66.73: Default feedback report (8/11/04)

This section has been deleted.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.74: Reporting to credit repositories (9/30/97)

66.74: Reporting to credit repositories (9/30/97)

Report all foreclosure sales to the credit repositories listed in Exhibit 51, Credit Repositories and Information to Report, according to the requirements in Section 55.4.

Freddie Mac Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide, Volume 2/Chs. 64-69: Servicing Nonperforming Mortgages/Chapter 66: Foreclosure/66.75: Reporting to the IRS (9/30/97)

66.75: Reporting to the IRS (9/30/97)

Report the acquisition or abandonment of the property to the IRS according to the requirements in Section 55.3 on Form 1099-A, Acquisition or Abandonment of Secured Property.