



TO: Freddie Mac Sellers

October 25, 2017 | 2017-24

SUBJECT: TEMPORARY SELLING REQUIREMENTS RELATED TO CALIFORNIA WILDFIRES

Freddie Mac is committed to helping Borrowers impacted by the California wildfires receive the assistance they need. We also want to provide Sellers with underwriting guidance and flexibilities to assist in originating and selling impacted Mortgages to Freddie Mac.

To that end, Freddie Mac is extending the temporary selling requirements that were announced in Guide Bulletins 2017-16, 2017-19 and 2017-21 to Mortgages and Borrowers whose Mortgaged Premises are located in Eligible Disaster Areas impacted by the California wildfires.

As a reminder, Freddie Mac defines an Eligible Disaster Area as an area comprised of counties or municipalities that have been declared by the President of the United States to be a major disaster area where federal aid in the form of individual assistance is being made available.

Exception for Orange County, California

Except for the [temporary property inspection fee reimbursement for Sellers](#) described below, the temporary selling requirements announced in this Bulletin do not apply to Mortgaged Premises located in Orange County, California due to the isolated nature of the impact of the wildfires there. If a Seller originated a Mortgage that is secured by a property in Orange County that is impacted by the wildfires, the Seller should contact its Freddie Mac representative or call the Customer Support Contact Center at (800) FREDDIE.

No special Servicing requirements

Servicers must follow the requirements of Guide Chapter 8404 for Servicing Mortgages in an Eligible Disaster Area impacted by the California wildfires. As a reminder, Freddie Mac will reimburse for Servicing-related property inspections for all Mortgages in Eligible Disaster Areas under the temporary reimbursement process outlined in Bulletin 2017-21.

EFFECTIVE DATE

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

AGE OF DOCUMENTATION REQUIREMENTS

The following age of documentation requirements apply to Mortgages secured by properties located in Eligible Disaster Areas affected by the California wildfires (except for properties located in Orange County) that have Application Received Dates on or before and Note Dates after October 10, 2017:

- Property valuation documentation, including the point value estimate from HVE® or the new appraisal, as applicable, must be dated no more than 180 days before the Note Date
- Any required underwriting documentation, including, but not limited to, Loan Product Advisor® Feedback Certificates, credit reports, verifications of income, employment and sources of funds, must be dated no more than 180 days before the Note Date

Note: Loan Product Advisor® will automatically pull a new credit report for Mortgages that are submitted or resubmitted to Loan Product Advisor 120 days or more after the date of the credit report. The most recent credit report must be used to analyze the Borrower's credit reputation and determine the Indicator Score, as applicable.

As a reminder, no more than 10 Business Days prior to the Note Date, the Seller must confirm a Borrower's employment by obtaining a 10-day pre-closing verification of employment in accordance with the requirements of Guide Section 5302.2, when applicable. For a self-employed Borrower, the Seller remains responsible for a verification of the current existence of the Borrower's business no more than 120 calendar days prior to the Note Date in accordance with the requirements of Section 5304.1(g).

For Mortgages that meet the requirements above, Sellers may use these temporary requirements in conjunction with their negotiated terms.

SPECIAL COLLATERAL REQUIREMENTS AND GUIDANCE

In recognition of the complexity and special circumstances related to originating Mortgages under these conditions, Freddie Mac is providing specific requirements and guidance for Mortgages secured by properties located in Eligible Disaster Areas affected by the wildfires (except for properties located in Orange County).

Property damage

As with any disaster, as specified in Section 5601.2(c), the Seller should take appropriate steps, including a property inspection, to determine if a Mortgage remains eligible for sale to Freddie Mac.

For Mortgages with Note Dates prior to October 10, 2017, but not yet sold to Freddie Mac, the Seller is responsible for determining whether the property was damaged.

If the Seller determines that the property has been damaged such that the damage impacts the safety, soundness, or structural integrity, the property is not acceptable as security for the Mortgage and the Mortgage is not eligible to be sold to Freddie Mac.

For less severe damage, the Seller may sell the Mortgage to Freddie Mac if the Seller ensures the damage is covered by insurance as required in Chapter 8202 and that the insurance is adequate to protect against future loss as specified in Section 5601.2(c).

For Mortgages in process as of October 10, 2017, Sellers must determine if the property is acceptable security for the Mortgage.

Automated collateral evaluation appraisal waivers

Sellers may not accept automated collateral evaluation (ACE) appraisal waiver offers for properties located in zip codes corresponding to the Eligible Disaster Area affected by the wildfires unless the related Mortgage has a Note Date prior to October 10, 2017 and the Seller has confirmed the condition of the Mortgaged Premises has not been adversely impacted by the wildfires.

Loan Collateral Advisor® – collateral representation and warranty relief

For Mortgages with Note Dates prior to October 10, 2017 that are secured by properties located in zip codes corresponding to the Eligible Disaster Area affected by the wildfires and that received collateral representation and warranty relief through Loan Collateral Advisor, the Seller must take appropriate steps to determine whether the property has been damaged. Freddie Mac will continue to offer collateral representation and warranty relief if the Seller confirms and documents that the property has not been adversely impacted and includes such documentation in the Mortgage file.

PROPERTY INSPECTION FEE REIMBURSEMENT FOR SELLERS

Freddie Mac will reimburse Sellers through September 30, 2018 for property inspections completed in Eligible Disaster Areas affected by the California wildfires when the following requirements are met:

- The property inspection was completed prior to the sale or securitization of the Mortgage
- The original appraisal or ACE appraisal waiver was obtained prior to the area having been declared an Eligible Disaster Area

We will reimburse Sellers for actual inspection costs not to exceed \$75 for an individual Mortgage after the Mortgage has been sold or securitized.

To receive the reimbursement amount, the Seller must:

- Maintain copies of the inspection invoice(s) in the Mortgage file
- E-mail an Excel spreadsheet of its Mortgages to Loan_Delivery_Funding_Ops@freddiemac.com with the subject line: "Seller reimbursement request for disaster-related property inspections." The spreadsheet must include:
 - The Seller/Servicer number
 - The Freddie Mac Settlement Date
 - The Freddie Mac loan number
 - The Seller loan number
 - The amount to be reimbursed
 - The property zip code

The reimbursement amount will be reflected in the Seller's monthly billing statements. To receive the credit on the Seller's next month's statement, we must receive the spreadsheet no later than the 15th of the current month.

We will accept spreadsheets through September 2018. For questions about the reimbursement process, Sellers should call its Freddie Mac representative or e-mail us at Loan_Delivery_Funding_Ops@freddiemac.com.

SYSTEM AND GUIDE UPDATES

System updates

Freddie Mac systems will be updated as soon as possible to accommodate the age of documentation flexibilities and restrict ACE appraisal waiver and collateral representation and warranty relief eligibility in the impacted areas.

Since the wildfires had isolated impact on Orange County properties, Freddie Mac will not be systematically removing the corresponding zip codes for Orange County relating to the ACE appraisal waiver and collateral representation and warranty relief eligibility. As specified in Section 5601.2(c), the Seller should take appropriate steps, including a property inspection, to determine if a Mortgaged Premises located in this area remains eligible for sale to Freddie Mac.

Guide updates

The Guide will not be updated to include these temporary requirements. Sellers must retain a copy of this Bulletin to ensure compliance with these requirements.

CASH CONTRACTS

Sellers should contact the Cash Desk (571-382-5960 or cash_ex@freddiemac.com) if there are Mortgages in a contract that cannot be delivered prior to contract expiration because the property securing the Mortgage is in an Eligible Disaster Area affected by the California wildfires.

REMINDER ABOUT FREDDIE MAC RELIEF REFINANCE MORTGAGESSM

Sellers are reminded that for Freddie Mac Relief Refinance MortgagesSM secured by properties affected by disasters:

- A Seller is not required to obtain a property inspection or new appraisal when a property valuation (either an HVE point value estimate or an appraisal) was relied on prior to a disaster, and
- A Seller can use an HVE point value estimate with a high or medium confidence score after a disaster without obtaining a property inspection or appraisal to determine property condition

This flexibility for Relief Refinance Mortgages does not impact Servicing requirements. Seller/Servicers must ensure that the Mortgaged Premises are covered by insurance meeting the requirements in Chapter 8202, and in

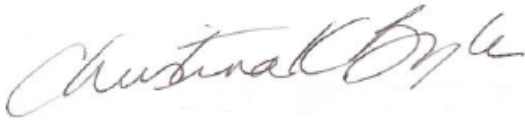
accordance with the terms of the Security Instrument and applicable law. See Section 4302.2 for further information.

CONCLUSION

Freddie Mac is committed to ensuring that Borrowers receive the Mortgage assistance they need to mitigate the devastating impacts of the California wildfires. We encourage Seller/Serviceers to visit our [Natural Disaster Relief](#) web page for disaster relief resources and management tools. We appreciate the understanding and consideration that Freddie Mac Seller/Serviceers have extended to Borrowers coping with hardships as a result of the California wildfires and the hurricanes that devastated so many different geographic areas.

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call the Customer Support Contact Center at (800) FREDDIE.

Sincerely,



Christina K. Boyle
Senior Vice President
Single-Family Sales and Relationship Management