

Bulletin

To: Freddie Mac Servicers

February 14, 2024 | 2024-2

SUBJECT: SERVICING UPDATES

This Guide Bulletin announces:

- **Resolve®**
 - New functionality to submit a [deed-in-lieu of foreclosure through the Resolve user interface \(UI\)](#) – **March 25, 2024**
- **Adequacy and availability of insurance**
 - Additional specificity regarding Seller/Servicer responsibilities to ensure that the Mortgaged Premises are covered by [adequate insurance](#) – **June 1, 2024**
- **Monthly financial reporting requirements**
 - Updates to [monthly financial reporting requirements](#) – **April 30, 2024**

EFFECTIVE DATE

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

RESOLVE

Effective March 25, 2024, Servicers may begin using the Resolve user interface (UI) to submit deed-in-lieu of foreclosure recommendations

Resolve will be updated with additional functionality to allow Servicers to submit deed-in-lieu of foreclosure recommendations to Freddie Mac in the Resolve UI. This new functionality streamlines the process and allows Servicers to upload their recommendation in Resolve.

When an executed deed is received from the Borrower, the Servicer will need to report the executed deed in the Resolve UI and report the liquidation via the Loan Level Reporting tool. Servicers will no longer report the deed-in-lieu of foreclosure through the Foreclosure Sale Reporting tool. Resolve will automatically create a settlement request and complete the settlement process.

Servicers may register for the [Resolve®: Submit and Manage Deed-in-Lieu Requests webinar](#) and refer to [Resolve Online Help](#) for additional details on submitting deed-in-lieu of foreclosure recommendations in Resolve.

Guide impact: Section 9209.2

ADEQUACY AND AVAILABILITY OF INSURANCE

Servicers are encouraged to implement these changes immediately, but must do so for Mortgages with insurance policies renewed or obtained on or after June 1, 2024

In Bulletin 2024-1, we announced updates to Sections 4703.2 and 4703.3 that were made at the direction of the FHFA and in alignment with Fannie Mae to provide more specificity regarding Seller/Servicer responsibilities to ensure that the Mortgaged Premises are covered by adequate insurance to promote sustainable homeownership. The updates include:

- Specifying that claims must be settled on a replacement cost basis and that insurance policies that provide for claims to be settled at actual cash value or limit, depreciate, reduce or otherwise settle losses for less than a replacement cost basis are not eligible



- Specifying that the Seller/Servicer must verify the replacement cost value of the Mortgaged Premises as of the current insurance policy effective date and provide examples of acceptable replacement cost verification sources
- Deleting coinsurance requirements and references to guaranteed replacement cost, extended replacement cost and replacement cost coverage for master insurance policies
- Specifying that all policy limits must be at least equal to 100% of the replacement cost value of the project's improvements, including Common Elements and residential structures, as of the current insurance policy effective date
- Relocating the placement of the Condominium Association Coverage Form or its equivalent requirement for master condominium insurance policies to the additional coverage section
- Updating flood insurance requirements for Condominium Projects to reflect the maximum coverage amount available from the National Flood Insurance Program per unit, consistent with Planned Unit Development (PUD) and Cooperative Project requirements

Guide impacts: Sections 4703.2 and 4703.3

MONTHLY FINANCIAL REPORTING REQUIREMENTS

Effective April 30, 2024; the first report (reflecting data as of April 2024) is due on May 31, 2024

In Bulletin 2024-1, we announced updates to Section 2101.5 that will require Large Non-Depository Institutions (as defined in Section 2101.2) and Seller/Servicers separately identified by Freddie Mac to provide monthly reporting in addition to the quarterly submission of Guide Form 1055, *Mortgage Bankers' Financial Reporting Form*. The new Form 1055A, *Monthly Mortgage Bankers' Financial Reporting Short Form*, must be electronically submitted no later than the last day of the month following the end of the reporting month for the first and second months of each fiscal quarter. The first submission of Form 1055A, reflecting April 2024 data, is due on May 31, 2024. The form must be certified by the Seller/Servicer's chief executive officer, the chief financial officer or equivalent. Seller/Servicers are not required to provide a monthly report (Form 1055A) for each third month of any fiscal quarter, as the data will be captured in the quarterly report (Form 1055).

Guide impacts: Section 2101.5 and Form 1055A (**new**)

GUIDE UPDATES SPREADSHEET

For a detailed list of the Guide updates associated with this Bulletin and the topics with which they correspond, access the Bulletin 2024-2 (Servicing) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddiemac.com/app/guide/bulletin/2024-2>.

CONCLUSION

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

Sincerely,

Bill Maguire

Vice President, Servicing Portfolio Management