

Bulletin

TO: Freddie Mac Sellers

February 4, 2026 | 2026-1

SUBJECT: SELLING UPDATES

This Guide Bulletin announces:

- **Construction to Permanent Mortgages and Renovation Mortgages**
 - Updates to [Construction to Permanent Mortgages and Renovation Mortgages](#)
 - [Delivery instructions](#) for Construction to Permanent Mortgages and Renovation Mortgages – **May 4, 2026**
- **Affordable lending**
 - Updates to [Home Possible® Mortgages](#) – **April 12, 2026**
 - Updates to [Refi Possible® Mortgages](#) – **April 12, 2026**
 - Additional specificity for qualifying rental income for [CHOICERenovation® Mortgages](#) – **May 4, 2026**
- **Manufactured Homes**
 - Updated [minimum square footage](#) requirements for Manufactured Homes
 - Updated specifications for the [CHOICEHome® offering](#) – **June 4, 2026**
- **Income continuance start date**
 - Additional specificity for existing requirements for [income continuance start date](#)
- **Automated collateral evaluation (ACE), property eligibility and appraisals**
 - Updates to terminology used to describe [ACE](#)
 - Additional specificity for the term [“proposed construction”](#)
 - Updated requirements for verification of [property Owner of Record](#) – **May 6, 2026**
 - An additional reference to the requirements for a [property with two or more adjoining parcels](#)
 - Enhanced specificity for the eligibility of an [ADU](#)
- **Additional Guide updates**
 - Further updates as described in the [Additional Guide updates](#) section of this Bulletin

EFFECTIVE DATE

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

CONSTRUCTION TO PERMANENT MORTGAGES AND RENOVATION MORTGAGES

Construction to Permanent Mortgages and Renovation Mortgages updates

To support Freddie Mac’s commitment to increasing housing supply and reducing barriers to obtaining construction to permanent financing, we have updated our offerings for Construction Conversion Mortgages and Renovation Mortgages. The updates below are effective for Mortgages with Application Received Dates on or after February 4, 2026.



We have updated multiple Glossary terms to align with industry terminology, including changing “Construction Conversion Mortgages” to “Construction to Permanent Mortgages”.

For One-Time Close Construction to Permanent Mortgages, we have made the following updates:

- Allowing the terms of the Mortgage to be modified at conversion to Permanent Financing
- For certain One-Time Close transactions, permitting income, employment and credit report documentation up to 540 calendar days before the Effective Date of Permanent Financing
- Requiring asset documentation to be dated no more than 120 calendar days before the Note Date of Interim Construction Financing and only requiring updated asset documentation when either of the following apply:
 - Additional funds are required to be paid by the Borrower at conversion to Permanent Financing
 - Additional reserves are required due to re-underwriting of the Mortgage prior to conversion to Permanent Financing
- Updating the effective date of the appraisal report to be no more than four months prior to the closing of the Interim Construction Financing. If the effective date of the appraisal report is more than 120 days before the Effective Date of Permanent Financing, an appraisal update is required.

For Construction to Permanent Mortgages, the proceeds of the Interim Construction Financing may be used for the cost of site preparation, including the removal of a Manufactured Home.

For cash-out refinance Construction to Permanent Mortgages and Renovation Mortgages, we have removed the six-month minimum titling requirement when at least one Borrower inherited or was legally awarded the land.

Finally, all Two-Time Close Construction to Permanent Mortgages and Renovation Mortgages are considered refinance Mortgages regardless of land ownership prior to the closing of the Interim Construction Financing.

Guide impacts

Guide impacts for these updates include Guide Sections 4602.1 through 4602.3, 5604.3, 6302.28, Glossary, Guide Exhibits 4A and 5A. For the full list of Guide impacts, see the [Guide Updates Spreadsheet](#) section below.

Delivery instructions

Effective May 4, 2026

We are updating the Uniform Loan Delivery Dataset delivery instructions for Construction to Permanent Mortgages and Renovation Mortgages to specify the requirements for One-Time Close with modification agreement and Two-Time Close transactions.

Guide impacts: Sections 6302.7 and 6302.28

Additional resources

We have introduced two new Construction to Permanent Modification Agreements, Forms 5166 and 5167. The new Modification Agreements will be available on our [2021 Uniform Instruments webpage](#) on February 6, 2026.

AFFORDABLE LENDING

Home Possible Mortgages

Effective for Mortgages with Application Received Dates on or after April 12, 2026 and Mortgages with Application Received Dates prior to April 12, 2026 with Settlement Dates on or after July 12, 2026

Freddie Mac is announcing updates to our Home Possible offering to further support sustainable homeownership for low- and very low-income Borrowers. These updates are intended to promote successful homeownership and simplify Guide requirements.

Mortgages no longer eligible for Home Possible may still be eligible for sale to Freddie Mac through other Guide offerings.



Borrower qualifying income

When determining the Borrowers' qualifying income for Home Possible Mortgages, the Borrowers' base earnings must be considered for both non-fluctuating and fluctuating employment earnings before any additional employment earnings (e.g., bonus, commission, overtime, tips) may be considered.

Sources of funds

Unsecured loan proceeds may no longer be used as a source of funds for Home Possible Mortgages.

Eligible Mortgages

Super conforming Mortgages will no longer be eligible as Home Possible Mortgages.

Guide impacts

Sections 4204.3, 4501.1, 4501.5 through 4501.7, 4504.5, 4504.7, 4603.3 and 5306.1 are being updated to reflect these changes.

Loan Product Advisor[®] updates

Loan Product Advisor will be updated on April 12, 2026 to support these changes.

Refi Possible Mortgages

Effective for Mortgages with Application Received Dates on or after April 12, 2026 and Mortgages with Application Received Dates prior to April 12, 2026 with Settlement Dates on or after July 12, 2026

Borrower qualifying income

When determining the Borrowers' qualifying income for Refi Possible Mortgages, the Borrowers' base earnings must be considered for both non-fluctuating and fluctuating employment earnings before any additional employment earnings (e.g., bonus, commission, overtime, tips) may be considered.

Guide impact: Section 4302.5

Loan Product Advisor updates

Loan Product Advisor will be updated on April 12, 2026 to support these changes.

CHOICERenovation Mortgages

Effective for Mortgages with Application Received Dates on or after May 4, 2026

We are adding specificity to state for CHOICERenovation Mortgages, rental income from any unit included in the renovation project funded by the Mortgage proceeds cannot be used to qualify the Borrower. Only rental income from units not included in the renovation project may be considered for qualifying purposes.

Guide impact: Section 4607.5

MANUFACTURED HOMES

Minimum square footage

We have updated our minimum square footage for the above-grade finished area on Manufactured Homes from 600 square feet to 400 square feet. This change is designed to support the continued evolution of quality and innovation in the manufactured housing market.

Guide impact: Section 5703.2



Mortgages secured by a CHOICEHome

Effective for Mortgages with Application Received Dates on or after June 4, 2026

Freddie Mac, in collaboration with Fannie Mae and under the guidance of FHFA, is announcing Guide and manufacturer specification updates that will align the specifications for the CHOICEHome and Fannie Mae MH Advantage® offerings. These changes reflect input from manufacturers and incorporate emerging developments in manufactured housing. The revisions are designed to ensure consistency across both offerings and support the continued evolution of quality and innovation in the manufactured housing market.

The aligned manufacturer specifications establish uniform requirements for:

- Permanent foundations*
- Roof pitch
- Energy efficiency
- Exterior features*
- Site improvements*

*Specification is a Guide requirement in addition to a manufacturer requirement.

Guide impact: Section 5703.12

INCOME CONTINUANCE START DATE

We have added specificity to the existing income continuance requirements when the duration is defined and documentable by adding the “Application Received Date” as a start date for the three-year continuance requirement.

This does not represent a change to existing requirements.

This update applies to the following income types, when applicable:

Impacted income types	
Income type	Continuance category
Alimony, child support and/or separate maintenance	Duration of obligation is defined and documentable.
Homeownership Voucher Program (HOV)	Duration of HOV term limit is defined and documentable.
<ul style="list-style-type: none"> • Mortgage differential • Nonrecurring restricted stock and restricted stock unit awards subject to time-based vesting provisions • Notes receivable • Royalty payments (fixed payments) • Trust income (fixed payment) 	Duration of payment and/or payment eligibility is defined and documentable.



Impacted income types	
Income type	Continuance category
<ul style="list-style-type: none"> • Long-term disability • Public assistance (e.g., Temporary Assistance for Needy Families) • Retirement income (not including retirement account distributions as income) • Survivor and dependent benefit income 	<p>May or may not have documentable continuance.</p> <p>Refer to Sections 5305.1 and 5301.1(d) for complete information.</p>

Guide impacts: Sections 5303.1 and 5305.1

AUTOMATED COLLATERAL EVALUATION (ACE), PROPERTY ELIGIBILITY AND APPRAISALS

ACE

To simplify Guide terminology, we have updated automated collateral evaluation (ACE) appraisal waiver language as follows:

- Where the terms “automated collateral evaluation (ACE) appraisal waiver” or “ACE appraisal waiver” were used, the phrase “appraisal waiver” was removed
- Where “appraisal waiver” appeared solely by itself, the term was revised to reflect “ACE”

No requirements were changed as a result of this update.

Guide impacts: Sections 3401.2, 3402.5, 4201.4, 4203.1, 4302.5, 4406.4, 4406.5, 4501.3, 4504.9, 4603.5, 5101.3, 5602.3, 5604.1, 5703.12, 6202.3, 6302.8, 6302.10 and Glossary

Exhibit 19, Credit Fees

Exhibit 19 will be updated with a future Bulletin to reflect these changes.

Proposed construction

Based on industry feedback, we have updated the Guide to add specificity related to proposed construction to state that it is when the construction has not started and the description of construction to be completed is based on plans and specifications and/or similar documentation. This aligns with the Uniform Property Dataset definition. No requirements were changed as a result of this update.

Guide impacts: Sections 5604.1, 5604.2, 5605.7 and 5605.8

Seller verification of property Owner of Record

Relocation of requirements

We have relocated the requirements for verifying the property Owner of Record from Section 5603.2 to new Section 5601.7.

Guide impacts: Sections 5601.7 (**new**) and 5603.2

Requirement updates

Effective for Mortgages with Application Received Dates on or after May 6, 2026, but Sellers are encouraged to implement immediately

We are updating the requirements related to verification of property Owner of Record. The requirement is being expanded so that it applies to all Mortgages, not just Mortgages with an appraisal.



Also included in this update is an enhancement of an example of documentation that may be used to evidence the property Owner of Record.

Guide impact: Section 5601.7

Property eligibility requirements

In Section 5601.1, we state that the Mortgage Premises must be located on an individual lot. We have updated the section to include a reference to the requirements for a property with two or more adjoining parcels. No requirements were changed as a result of this update.

Guide impact: Section 5601.1

ADU eligibility

We have updated Section 5601.2 to specify that the absence of a cooking appliance does not change the classification of an ADU. No requirements were changed as a result of this update.

Guide impact: Section 5601.2

ADDITIONAL GUIDE UPDATES

Quality control

We have updated the Guide to state that when a Seller obtains tax information from the Internal Revenue Service (IRS) using Form 4506-C (or an alternate form acceptable to the IRS), the request must include the tax year(s) used to qualify the Borrower. This ensures alignment between income verification and underwriting requirements.

We have also restructured the credit report requirements into a table format to improve ease of use. This change is intended to provide Sellers with a more streamlined and accessible reference to ensure our requirements are met.

Guide impact: Section 3402.5

Fraud reporting

Effective February 11, 2026

We are updating Section 3201.2 to provide additional specificity related to our fraud reporting requirements as well as what Seller/Service providers are required to self-report. Additional updates are being made to streamline existing reporting processes, timelines and record-keeping requirements.

Guide impact: Section 3201.2

Information security

Effective January 1, 2027

We are defining the term “Freddie Mac Critical Data” and introducing requirements related to organizations’ business impact analyses.

Guide impacts: Sections 1302.2 and 1302.3

Authorized user Tradelines

Effective for Loan Product Advisor submissions or resubmissions on or after February 10, 2026

For Accept Mortgages, we will no longer require assessment of authorized user Tradelines on the Borrower's credit report.

Guide impacts: Sections 5201.1 and 5401.2

Bulletin e-mail requirements

Effective February 11, 2026

We are updating the Guide to allow inactive Seller/Service provider recipients of Bulletin e-mails to be removed from the subscriber list. Seller/Service providers who do not engage with Single-Family Update e-mails—by opening or clicking any



content—at least once every six months will be removed. To resume receiving notifications, they must re-engage by opening an e-mail, clicking a link within an e-mail or updating their preferences in the Single-Family subscription center.

Guide impact: Section 1101.2

Guide refactoring

Guide section refactoring

To improve the ease of use of our Guide for Sellers, Sections 4701.1 and 4701.2 have been refactored. No requirements were changed as a result of this new formatting.

Guide impacts: Sections 4701.1 and 4701.2

Document Custody Procedures Handbook

We have updated cross-references in the Document Custody Procedures Handbook related to Guide refactoring.

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 2026-1 (Selling) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddiemac.com/app/guide/bulletin/2026-1>.

CONCLUSION

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

Sincerely,

Kevin Kauffman

Senior Vice President, Single-Family Seller Engagement