

# Bulletin

TO: Freddie Mac Sellers

June 3, 2026 | 2026-7

## SUBJECT: SELLING UPDATES

This Guide Bulletin announces:

- **Credit underwriting**
  - Updates to [non-self-employed income](#) for Borrowers with business ownership less than 25%, including expanded requirements for Schedule K-1 guaranteed payments
  - Updates to [self-employed income](#) for Borrowers with less than a two-year history of self-employment
  - Updates to [automated income assessments](#)
  - The expansion of [data representation and warranty relief eligibility](#) with the Freddie Mac Income Calculator – **June 28, 2026**
- **Properties with incomplete improvements**
  - Updated eligibility for a [property with incomplete improvements](#)
  - The relocation of requirements related to [GreenCHOICE Mortgages® and CHOICERenovation® Mortgages](#)
- **Renovation Mortgages**
  - The addition of Manufactured Homes as an eligible property type for [Renovation Mortgages](#)
- **Fraud updates – June 10, 2026**
  - Updates to [Office of Foreign Assets Control reporting, annual training and Exclusionary List screening processes](#)
  - Specificity regarding submission through the [Tip Referral Tool](#)
- **Additional Guide updates and reminders**
  - Further updates as described in the [Additional Guide updates and reminders](#) section of this Bulletin

## EFFECTIVE DATE

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

## CREDIT UNDERWRITING

### Non-self-employed income characteristics

#### ***Guaranteed payments from partnerships***

We have expanded the requirements for history of receipt for non-self-employed borrowers receiving guaranteed payments for services from a partnership (Schedule K-1). A history of receipt of less than one year may represent stable monthly income provided the following requirements are met:

- The guaranteed payments are from a professional services partnership (e.g., accounting firm, law firm)
- Borrower recently changed from an employee to a partner in the same firm with a nominal (e.g., 0.01%, 2%) ownership interest



- The guaranteed payments and ownership interest are documented with at least the most recent year-to-date (YTD) earnings and payment amount (e.g., YTD paystub or equivalent), K-1 (if applicable) and partnership agreement

When the history of receipt is less than two years, the employment history and documentation requirements described in Guide Sections 5303.1(b) and 5303.1(c) apply to the previous employed income.

Guide impact: Section 5303.1

### **Additional resources**

[FAQs](#) related to non-self-employed Borrower business ownership interests have been updated. Additional resources are not a part of, or a substitute for, the Guide or other Purchase Documents.

### ***Non-self-employed Borrowers with business ownership interest less than 25%***

For the income characteristic related to Borrowers with business ownership interest(s) less than 25%, we have updated the title to specify that these requirements are intended for non-self-employed Borrowers.

No requirements were changed as a result of this update.

Guide impact: Section 5303.1

### **Self-employment less than two years**

For Borrowers with less than a two-year history of self-employment but at least two years combined history from current self-employment and a prior job in the same or similar occupation or industry:

- We have removed the requirement that Sellers must use the lesser of the Borrower's stable monthly income from the new business or from their previous occupation to determine qualifying income
- Sellers must continue to follow the requirements in Section 5304.1(c) to ensure that all other requirements for Borrowers with a self-employment history of less than two years are met

Guide impact: Section 5304.1

### **Automated income assessments**

We have updated the Freddie Mac Income Calculator and Loan Product Advisor® automated income assessments by:

- Eliminating the requirement to retain the Freddie Mac Income Calculator Certificate in the Mortgage file when Loan Product Advisor returns an income representation and warranty relief result of "Eligible" or "Partial"
- Specifying that the method to calculate income by Freddie Mac's automated assessment tools may differ from Guide-prescribed methods
- Requiring Sellers to retain in the Mortgage file only the income documentation indicated on the Last Feedback Certificate or last Freddie Mac Income Calculator Certificate, as applicable, in lieu of other Guide-prescribed income documentation
- Expanding eligible earnings when using employed income data to include earnings for Borrowers employed by a family member or other interested party for automated assessments using Loan Product Advisor

Guide impacts: Sections 5302.6, 5303.4, 5303.5, 5304.2, 5305.2 and 5306.2

### ***Freddie Mac Income Calculator update***

The Freddie Mac Income Calculator will be updated at a later date to expand earnings eligible for the income assessment to include earnings for Borrowers employed by a family member or other interested party.

### ***Feedback messages***

Loan Product Advisor and Freddie Mac Income Calculator feedback messages will be updated at a later date to support these changes.



## Data representation and warranty relief eligibility

### Effective for Mortgages with Freddie Mac Income Calculator application programming interface (API) submissions on or after June 28, 2026

We are updating our automated income assessments with the Freddie Mac Income Calculator to determine data representation and warranty relief eligibility when using tax transcript data.

Guide impacts: Sections 3402.2, 5304.2 and 5306.2

### Freddie Mac Income Calculator updates

We are introducing a new Freddie Mac Income Calculator API, which will enable automated access to the Freddie Mac Income Calculator and use optical character recognition (OCR) of income documents without manual data entry. Sellers can leverage their own OCR technology or partner with a third-party service provider.

### Feedback messages

Loan Product Advisor feedback messages will be updated on June 28, 2026 to support this change.

## PROPERTIES WITH INCOMPLETE IMPROVEMENTS

### Eligibility of a property with incomplete improvements

We have updated the Guide to specify that the requirements for a property with incomplete improvements apply to site-built homes that are newly built or constructed and to existing site-built homes.

Additionally, we have expanded our eligibility requirements to permit Mortgages secured by Manufactured Homes and Mortgages with a PDR.

Guide impacts: Sections 4602.1, 5601.3 and 5605.5

### GreenCHOICE Mortgages and CHOICERenovation Mortgages

To improve the use of the Guide, the requirements for GreenCHOICE Mortgages and CHOICERenovation Mortgages with incomplete improvements and Settlement Dates prior to the completion of improvements are now included within their respective sections.

Guide impacts: Sections 4606.3, 4607.1, 4607.11 and 5605.5

## RENOVATION MORTGAGES

For Renovation Mortgages, we have expanded our eligibility requirements to permit Mortgages secured by Manufactured Homes.

Guide impacts: Sections 4602.1 and 4602.2

## FRAUD UPDATES

### Effective June 10, 2026

### Office of Foreign Assets Control Reporting, annual training and Exclusionary List screening processes

We are introducing a 1-day reporting requirement for any violation or suspected violation of Office of Foreign Assets Control (OFAC) sanctions related to Freddie Mac Mortgages, even in instances where the Borrower or Guarantor is not a match to the OFAC SDN List. Additional specificity is being provided regarding the frequency of the existing ongoing OFAC training requirement. The frequency for ongoing OFAC training will be designated as annual.

Additionally, greater specificity is being added regarding Exclusionary List screening processes, including around third-party screening.

Guide impacts: Sections 1301.2 and 3101.1



## Tip Referral Tool

We are updating Section 3201.3 to require that documents and Mortgage files requested by Freddie Mac be submitted via the Tip Referral Tool.

Guide impact: Section 3201.3

## ADDITIONAL GUIDE UPDATES AND REMINDERS

### UAD Completion Report

#### Effective November 2, 2026

We are updating the Guide to reflect the cross-reference to Section 5605.9, change the term “completion report” to “UAD Completion Report” and restate the existing requirement to submit the UAD Completion Report to the Uniform Collateral Data Portal.

Guide impacts: Sections 4606.3, 4607.1 and 5605.9

### Third-Party Originator oversight and Aggregator responsibilities

#### Effective August 5, 2026

We are providing updated language in Section 2101.15 to add specificity to existing Third-Party Originator oversight requirements related to due diligence and Aggregator responsibilities.

Guide impact: Section 2101.15

### Flood insurance

#### Effective June 10, 2026

We are moving the existing National Flood Insurance Program lapse procedures from a temporary Bulletin (Bulletin 2025-E) to Section 4703.3 permanently. There are no material changes to the procedures.

Guide impacts: Sections 4703.3 and 8202.2

### New 2-day Settlement Cycle for MultiLender Swap Contracts

#### Effective June 29, 2026

We are updating the Guide to provide an additional Settlement Cycle for MultiLender Swap Contracts. For MultiLender Swap Contracts accepted or modified on or after June 29, 2026, the 2-day Settlement Cycle will be available and subject to a Gold Rush® fee assessment in accordance with the Seller's Purchase Documents.

Guide impact: Section 6205.2

### Virginia and California Deeds of Trust

We have updated Guide Exhibit 4A, *Single-Family Uniform Instruments*, to reflect that the Virginia Deed of Trust (Form 3047 07/2021) and the California Deed of Trust (Form 3005 07/2021) were revised to include a new paragraph reflecting changes in State laws addressing divorce-related Mortgage assumptions in response to Virginia House Bill 304 and California Assembly Bill 3100. Also, the California Short Form (3005-SF) was revised to reference the new paragraph 30. Originators may begin using the revised Virginia Security Instrument for Mortgages with Note Dates on or after July 1, 2026 and the revised California Security Instrument for Mortgages with Note Dates on or after January 1, 2027.

Guide impact: Exhibit 4A

#### **Additional resources**

The updated Security Instruments are available on our [2021 Uniform Instruments webpage](#).



## Information security

### **Service organization controls 2 Type 2 reporting**

**Effective January 1, 2027**

We are providing new guidance for service organization controls 2 Type 2 reporting to add specificity to the submission process and ensure alignment with updated standards.

Guide impact: Section 1302.2

### **Incident reporting time frames reminder**

Reporting time frames for Incidents (as defined in Section 1302.5(a)) are listed in Section 1302.5 to ensure the security and integrity of Freddie Mac operations. Seller/Service providers are required to report Incidents as early as possible (within 36 hours for Non-critical Privacy Incidents, as defined in Section 1302.5(b)), even if they do not fully know the scope of an Incident. Seller/Service providers are also required to provide updates as the investigation progresses. Seller/Service providers can report Incidents via <https://privacyportal.onetrust.com/incident-portal/webforms/94b5e41a-aba0-4e51-ba48-efa19ce560a1/1b25c37a-a280-44f2-b61e-a693a33c7267>.

## Guide refactoring

With the refactoring of Sections 5302.3 and 5302.5, announced in Bulletin 2025-9, we inadvertently modified requirements related to use of third-party employment and income verification reports and Internal Revenue Service (IRS) Form 4506-C for offerings with an automated assessment. We have restored the requirements that Sellers comply with the applicable offering's underwriting and IRS Form 4506-C requirements, and the language has been simplified.

Guide impacts: Sections 5302.3 and 5302.5

## 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 2026-7 (Selling) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddiemac.com/app/guide/bulletin/2026-7>.

## 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