

Agency Update

Freddie Mac Agency Update



MBA's Document Custody Conference September 17-19, 2006

Agenda



- Welcome
 - New Products Since September 2005
 - Recent Guide Changes
 - MOAC/ACDC
 - What We've Been Working On
 - Selling System Update
 - Questions
 - How to Contact Us
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New Products



Non-Individual Borrower

- » No First or Middle Name
 - 40 Year Mortgage
 - » Maturity Date
 - Expansion of Home Possible
 - » Added Cash Servicing Released option
 - New Arm Products
 - » 1st Business Day Lookback option for some Non-convertible
 - Prepayment Penalty Mortgages changes
 - » ARMS now eligible
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Recent Guide Changes

- **Note Endorsements via allonge**
 - Note no longer has to reference the allonge
 - Note date is no longer required on allonge
 - **Facsimile signature on endorsement**
 - Custodian no longer required to verify legal opinion
 - **Retention of Original Forms 1034 and 1036**
 - Original Forms 1034 (except 1034E) may be imaged and destroyed immediately after certification or originals may be destroyed 3 months after certification
 - Original Form 1034E and Selling System Delivery Cover Sheet may be destroyed immediately once the certification status in the system
 - Original Forms 1036 may be imaged and destroyed if your note tracking system contains the date and reason for release of Note
 - Original or imaged Form 1036 may be destroyed 3 months after the Note is returned to the Custodian or the mortgage is paid in full
 - **Document Custodian Insurance Rating**
 - Effective January 14, 2006 or the anniversary date of document custodian fidelity bond, mortgagee's O&E policy or Seller/Service's in transit coverage the minimum A.M. Best Company rating will be A-
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MOAC/ACDC



- **We seek input from business partners**
 - Mortgage Operations Advisory Committee (MOAC)
 - **We've added a new committee:**
 - Advisory Committee on Document Custody (ACDC)
 - Representatives of the Custodian community
 - Regular meetings to discuss issues and opportunities
 - Sharing of best practices
 - Input concerning timelines and new requirements
 - **Data Quality and Risk Control Program Development**
 - ACDC will help us develop a comprehensive risk and control program with a focus on data quality
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What We've Been Working On



- **Reviewing Form 1035 Custodial Agreement**
 - » **We are working to reduce the paperwork required to hold notes for more than one Seller/Service number**
 - » **We will be able to incorporate negotiated business practices into custodian contracts instead of adding them through the Seller's Master**
 - **Document Custody Procedure Handbook**
 - » **Review underway**
 - » **Updates should make it more usable**
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Selling and Servicing Systems



- **New functionality**

- Non-individual Borrower

- First and Middle Names not permitted

- Co-borrower not permitted

- “Not Applicable” check boxes added to allow Custodian to propose a change to clear the data currently entered in those fields

Q&A

- ???



How to Contact Us



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Contacts, continued



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