

Bulletin

NUMBER: 99-8

TO: All Freddie Mac Sellers and Servicers

December 15, 1999

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SUBJECT AND EFFECTIVE DATE

This bulletin communicates the data formats, specifications and definitions relative to the previously announced changes to one of our Servicing reporting processes effective as shown below. We are also including our annual *Single-Family Seller/Servicer Guide* (Guide) Update pages for Volume 2.

Effective Date	Subject
April 3, 2000	Addition of 6 new default action codes to our Electronic Default Reporting (EDR) requirements

WHY WE'RE MAKING THIS CHANGE

Advances achieved from the use of information gathered through new technologies have helped to shape the way we deal with Mortgage industry processes and issues. Our own foreclosure analysis and foreclosure alternative system, Workout Prospector®, and our default predictive model, EarlyIndicator®, have led the way in the use of information secured through new technologies.

The effectiveness and ease of using such technologies expands exponentially as we are able to add more data to the matrix of a particular technology or model. Therefore, to make our systems even more effective, we announced in Bulletin 98-9 dated December 15, 1998, that effective April 3, 2000, we are increasing the number of default action codes you must report to us via our Electronic Default Reporting (EDR) system. The reporting of these 6 additional codes as they apply, will help us work with you more effectively to improve your Servicing processes and for us to provide even better predictive modeling.

Continuing our efforts to utilize technology to its fullest potential, we are presently reviewing our EDR data needs and considering adding additional fields to supply information regarding promises to pay, results of delinquent Borrower contacts, property sale listing information and additional foreclosure information. We have submitted a list of new data fields to the Electronic Data Information ANSI X-12 Committee for review and approval. We plan to announce additional reporting fields in early 2000 for implementation later in the year. We will issue updates to our publications, *A Guide to Electronic Default Reporting and Default Reporting EDI Implementation Guide* prior to implementation of the additional new fields. Until that time, you must retain a copy of this bulletin in your *Single-Family Seller/Servicer Guide*.

HOW THIS CHANGE AFFECTS YOU

Reporting the 6 new EDR codes does not require any specific programming as the detail record descriptions for these codes already exist in our EDR requirements. You must transmit your EDR data as usual via MIDANET® for the PC, CPU-to-CPU, or GoldWorks®. You can enter the new codes listed below in any of the existing default action code fields to report the corresponding action and date.

Action or Date	Default Action Code
Date of First Legal Action	68
Date of First Right Party Contact with Delinquent Borrower (We define "Right Party Contact" as a contact with a Borrower that results in a conversation to attempt to resolve the Delinquency. In such a contact, you must identify yourself as the Servicer and confirm that you are speaking to the Borrower.)	AW
Date of Last Right Party Contact with Delinquent Borrower	AX
Date Advised Property Listed for Sale (We define "Date Advised Property Listed for Sale" as the date you first became aware that the property securing the Mortgage was listed for sale. You may have secured this information from the Borrower or from your property inspection vendor.)	AY
Date Servicer Entered into a Forbearance Plan with the Borrower	09
Date Servicer Entered into a Repayment Plan with the Borrower	12

Following is an extract of the EDR detail record description as it applies to default action codes.

Electronic Default Reporting Detail Record Description				
File Position	Sample File Data Name	Picture Data Name	Edit Clause	Reference*
22-23	1ST DEFAULT ACTION CODE	1ST-DEF-ACT-CODE	X(2)	SPEC 6
28-35	1ST DEFAULT ACTION CODE DATE	1ST-DEF-ACT-CODE-DT	9(8)	SPEC 7, ED 1
68-69	2ND DEFAULT ACTION CODE	2ND-DEF-ACT-CODE	X(2)	SPEC 6
71-78	2ND DEFAULT ACTION CODE DATE	2ND-DEF-ACT-CODE-DT	9(8)	SPEC 7, ED 1
79-80	3RD DEFAULT ACTION CODE	3RD-DEF-ACT-CODE	X(2)	SPEC 6
82-89	3RD DEFAULT ACTION CODE DATE	3RD-DEF-ACT-CODE-DT	9(8)	SPEC 7, ED 1
90-91	4TH DEFAULT ACTION CODE	4TH-DEF-ACT-CODE	X(2)	SPEC 6
93-100	4TH DEFAULT ACTION CODE DATE	4TH-DEF-ACT-CODE-DT	9(8)	SPEC 7, ED 1
101-102	5TH DEFAULT ACTION CODE	5TH-DEF-ACT-CODE	X(2)	SPEC 6
104-111	5TH DEFAULT ACTION CODE DATE	5TH-DEF-ACT-CODE-DT	9(8)	SPEC 7, ED 1

* **SPEC 6** = Use of the default action codes listed in Section 64.10 of the Guide. If no default action code applies to the Mortgage you are reporting, populate the field with blanks

SPEC 7 = Must be a valid date in the CCYYMMDD format. Must be equal to the applicable date for the event defined for the default action code you are reporting. You must provide a valid date for each default action code reported.

ED 1 = Must be a valid date in format CCYYMMDD

REVISIONS TO THE *SINGLE-FAMILY SELLER/SERVICER GUIDE*

We are including the following new or updated Guide pages:


- Revisions to Chapters 58, 64, B65, 66, 76, 77, 78, 79, 82 and 83
- Updated Exhibit 68
- Directories 2 and 9
- Updated Volume 2 Page Inventory, Exhibits List, Forms List, Table of Contents and Glossary

We have highlighted the changes on each Guide page by placing arrows in the margin and double underlining the revised text. Please follow the instructions on the page preceding the replacement pages to update your Guide.

CONCLUSION

We believe that the positive changes contained in this bulletin support a practical use of technology as we move into the next century. The use of technology has been part of our commitment to strengthen ties with you and we will continue to work with you towards our mutual goals. If you have any questions about the changes, please call (800) FREDDIE.

Cordially,



Margaret A. Colon
Senior Vice President
Servicer Division