

# Bulletin

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NUMBER: 99-9

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TO: All Freddie Mac Sellers and Servicers

December 15, 1999

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**Freddie  
Mac**

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## SUBJECTS

We're pleased to announce:

- An increase in the maximum original loan amounts for Home Mortgages eligible for sale to Freddie Mac
- Additional information regarding options for pairoffs

We've also updated Exhibit 5, Authorized Changes to Notes, Riders and Security Instruments.

## EFFECTIVE DATES

All of the changes are effective immediately with the following exception:

- January 1, 2000: date after which you may deliver Mortgages up to the new loan limits to us

## WHY WE'RE MAKING THESE CHANGES AND HOW THEY AFFECT YOU

### New Loan Limits

The new loan limits are tied to an increase in the average purchase price of one-family conventionally financed homes as reported by the Federal Housing Finance Board (FHFB). The index rose 5.3 percent this year, so we increased our loan limits by that percentage. The higher loan limits will make lower-cost Mortgages available to more homebuyers, particularly those purchasing homes in high-cost areas.

Mortgages with original loan amounts up to the new limits are eligible for delivery to us after January 1, 2000, but you may begin originating those Mortgages immediately for sale to us next year.

**Pairoff Information**

We have not made any policy changes; however, we have amended Section 8.7 to provide additional information on the different options that you have when you intend to sell a loan for cash to Freddie Mac and the unpaid principal balance changes or the loan fails to close. A contract extension or an over-purchase waiver may, in certain circumstances, serve the interests of both the Seller and Freddie Mac better than pairing off a portion of the contract.

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

We've revised parts of Chapters 8, 23 and 37; Exhibit 5, and Form 16SF to incorporate the changes announced in this bulletin. We've also updated the Volume 1 page inventory, Table of Contents, Directory, Index and Glossary.

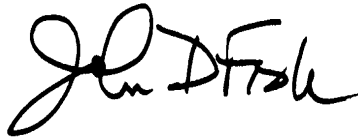
At the end of this bulletin, you'll find replacement pages for Volume 1 of the Guide. We've highlighted the changes on these pages by placing an arrow in the margin and double underscoring the revised text. Please follow the instructions on the page before the replacement pages so that you can update your Guide correctly.

We've also attached a camera-ready copy of revised Form 16SF, Annual Eligibility Certification Report.

**CONCLUSION**

We believe that these changes support our commitment to making the mortgage finance process simpler and more effective. If you have any questions about the changes announced in this bulletin, please call your Freddie Mac account manager or (800) FREDDIE.

Sincerely,



John D. Fisk  
Executive Vice President  
Single-Family Securitization Group

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### REPLACEMENT PAGES - VOLUME 1

Replacement pages, incorporating revisions to Guide Chapters 8, 23, and 37; Exhibit 5; Form 16SF; the Glossary; the Directory; and the Index, immediately follow this page. Please insert the attached replacement pages into Volume 1 of your Guide and remove the existing, outdated pages.

Below you will find filing instructions that list the new Guide pages to insert and the outdated pages to remove.

FILING INSTRUCTIONS - VOLUME 1	
REMOVE	INSERT
Page Inventory, dated 12/15/98	Page Inventory, dated 12/15/99
Table of Contents, Pages i - xii, dated 12/15/98	Table of Contents, Pages i - xiv, dated 12/15/99
Pages 8-3 – 8-6, dated 3/4/96 Pages 8-7 REV – 8-10, dated 6/25/99	Pages 8-3 – 8-10, dated 12/15/99
Pages 23-1 – 23-2, dated 10/1/99	Pages 23-1 – 23-2, dated 12/15/99
Pages 37-33 – 37-34, dated 5/1/99	Pages 37-33 – 37-34, dated 12/15/99*
Pages E-i – E-ii, dated 12/15/98	Pages E-i – E-ii, dated 12/15/99
Pages E5-1 – E5-18, dated 7/1/2000	Pages E5-1 REV – E5-20 REV, dated 7/1/00
Pages F16SF-1 – F16SF-4, dated 12/31/98	Pages F16SF-1 – F16SF-4, dated 12/15/99*
Pages G-37 – G-38, dated 12/15/98	Pages G-37 – G-38, dated 12/15/99*
Pages DIR-3 – DIR-4, dated 6/30/97 Pages DIR-17 – DIR-18, dated 4/1/99	Pages DIR-3 – DIR-4, dated 12/15/99 Pages DIR-17 – DIR-18, dated 12/15/99
Pages I-1 – I-22, dated 12/15/98	Pages I-1 – I-24, dated 12/15/99

\* Corrects a publication error.

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**REPLACEMENT PAGES - VOLUME 2**

Replacement pages, incorporating revisions to Guide Chapters 51, 53 and 58; the Glossary and the Directory immediately follow this page. Please insert the attached replacement pages into Volume 2 of your Guide.

Below you will find filing instructions that list the new Guide pages to insert.

<b>FILING INSTRUCTIONS - VOLUME 2</b>	
<b>REMOVE</b>	<b>INSERT</b>

