

# Industry Letter

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January 18, 2002

**SUBJECT:** Foreclosing on Properties in the State of Oregon

**TO:** All Freddie Mac Sellers and Servicers

**Freddie  
Mac**

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We are making a change to our foreclosure requirements to comply with Oregon Revised Statutes 86.735. Please note that this change applies to foreclosures in the State of Oregon only. This change does not apply to Mortgages registered with MERS.

Upon sale of a Mortgage to Freddie Mac, you are required to execute but not record an assignment of the security instrument from you to Freddie Mac. You must deliver the executed but unrecorded assignment to your Custodian, or if you use Freddie Mac's Document Custodial Services, you must maintain the unrecorded assignment in the Mortgage file.

In Section 66.17 of the *Single-Family Seller/Servicer Guide*, unless the Mortgage is registered with MERS, we require that you conduct a foreclosure sale in your name. Oregon law requires that any assignment of the deed of trust must be recorded before a trustee may foreclose a deed of trust by advertisement and sale. Therefore, you must locate the executed but unrecorded assignment to Freddie Mac and destroy it no later than 10 days after the date you refer the foreclosure to your trustee. This will ensure that, at the time the trustee begins the foreclosure process in Oregon, the chain of assignments to the deed of trust identifies you as the beneficiary of the deed of trust and there is no assignment in existence from you to Freddie Mac.

If the Borrower reinstates their Mortgage after the Mortgaged Premises have been referred to foreclosure, you must prepare and execute a new assignment of the deed of trust to us. The assignment must not be recorded. You must deliver the new assignment to your Custodian, or if you use Freddie Mac's Document Custodial Services, then you must maintain the executed assignment in the Mortgage file.

If you have any questions regarding this change, please call Bob Kimble, Manager-Foreclosure, Bankruptcy and Cost Control, at 703-760-2086 or e-mail him at [robert\\_kimble@freddiemac.com](mailto:robert_kimble@freddiemac.com).

Sincerely,



Paul T. Peterson  
Executive Vice President  
Single-Family Group