

Bulletin

NUMBER: 2003-3

**Freddie
Mac**

TO: All Freddie Mac Sellers and Servicers

April 7, 2003

SUBJECTS

Requirements amended in this Bulletin:

■ Selling and Servicing

Freddie Mac is:

- Announcing that we will purchase Seasoned Mortgages under Gold Cash Xtra[®] (GCX) servicing-retained
- Revising language in the Guide regarding requested Funding Dates for Mortgages sold under Gold Cash[®] or GCX
- Revising our late payment fee calculation method for Seller fees and Loan Prospector[®] fees not paid by the due date
- Amending the Guide to expand the terms and conditions applicable to the use of fax copies

EFFECTIVE DATES:

All of these changes are effective immediately except:

- **May 30, 2003:**
 - Beginning with fees and remittances due but not paid as of this date, late payment fees will be calculated using the new late payment fee calculation method

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

Selling Changes

Revisions to Gold Cash Xtra (GCX) execution

We're pleased to announce that, effective immediately, Freddie Mac will purchase Seasoned Mortgages under GCX servicing-retained. We have updated Chapters 9 and 17 to reflect this change.

New late payment fee calculation method

Freddie Mac is changing the way we calculate late payment fees on Loan Prospector[®] and Seller fees and remittances not paid by the date due. Beginning with fees and remittances due but not paid as of May 30, 2003, late payment fees will be calculated using the new late payment fee calculation method.

We have updated Chapter 8 to reflect this change.

Funding Date

For Mortgages sold under Gold Cash and GCX, if the Seller requests a Funding Date on or before the last day of the delivery period specified in a Purchase Contract, Freddie Mac sets the Funding Date to the Seller's requested Funding Date.

We are amending the Guide to provide that, if a Seller requests a Funding Date that is later than one Business Day after the last day of the specified delivery period, then Freddie Mac will set the Funding Date to one Business Day after the last day of the delivery period.

We have updated Chapters 9 and 17 and Exhibit 8 to reflect this change.

Special provisions for fax transmissions

Freddie Mac is amending Section 1.3 of the Guide to expand the terms and conditions applicable to fax copies. Permitting Seller/Servicers to transmit fax copies of certain specified documents, while Freddie Mac continues to develop web-based solutions and capabilities, will lower costs, improve productivity and quicken the pace of business.

Please remember that Seller/Servicers may only transmit fax copies in lieu of original documents if Freddie Mac has expressly approved or required the use of fax copies for particular documents and/or transactions. In the event that Freddie Mac does expressly approve or require the use of fax copies for particular documents and/or transactions, the fax copies will be governed by the applicable provisions of Section 1.3 of the Guide.

Mortgage Bankers Financial Reporting Form

As announced in Bulletin 2003-2 (March 7, 2003), Freddie Mac, Fannie Mae, Ginnie Mae and the Mortgage Bankers Association have modified the Mortgage Bankers Financial Reporting Form (MBFRF), Freddie Mac Form 1055. The revised Form 1055 will be effective for the reporting period ended March 31, 2003, and is required for non-regulated entities reporting on or after April 1, 2003.

An email detailing the Form 1055 revisions was sent to those Seller/Servicers affected by these changes on February 5. The revised form is available electronically at www.mbfrf.org. A copy of the form is also included with this Bulletin.

Servicing Changes

Designated Counsel

We have updated Exhibit 79, Designated Litigation Counsel/Trustee, to revise contact information for designated counsel/trustees in certain states.

NEW GUIDE LAYOUT

As we announced in Bulletin 2003-1 (February 7, 2003), we are publishing the Guide in new software, enabling us to make changes to the layout of Guide pages. You will see redesigned headers and footers, an effective date at the beginning of each section rather than in the footer of each page, and revisions marked with "change bars" (vertical bars in the margins) rather than arrows. In addition to denoting new text, which will continue to be doubleunderlined, these change bars will also mark where text has been deleted.

Directory references will now appear as white text in black boxes.

Over the following months, Bulletins may be larger than usual. Because the new formatting affects the entire Guide, the first time we announce a revision to a particular chapter, exhibit, form or directory, we will reissue that chapter, exhibit, form or directory in its entirety, rather than just revised pages.

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

Descriptions of revised Guide text are located in Exhibit A of this Bulletin. The revisions include:

- Chapters 1, 8, 9 and 17
- Exhibits 8, 65, 79 and 80
- Form 1055

At the end of this Bulletin, you'll find replacement pages for the Guide.

CONCLUSION

We believe that these changes support Freddie Mac's commitment to making the mortgage finance process simpler and more efficient. If you have any questions about the changes announced in this Bulletin, please call your Freddie Mac Account Manager or (800) FREDDIE.

Sincerely,



Paul T. Peterson
Executive Vice President, Single-Family Business

Exhibit A

Highlights of Revisions in this Package

Bulletin 2003-3 incorporates changes to the following chapters of the *Single-Family Seller/Service Guide* (Guide):

- **Chapter 1**—Introduction—Expands terms and conditions applicable to use of fax copies.
- **Chapter 8**—General Purchase—Revises language regarding the late payment fee calculation method.
- **Chapter 9**—Immediate Delivery Home Mortgage Purchase Program—Revises language to allow for the sale of Seasoned Mortgages under Gold Cash Xtra servicing-retained. Modifies language regarding requested Funding Dates for Mortgages sold under Gold Cash or GCX.
- **Chapter 17**—Mortgage Delivery and Settlement Processing —Revises language to allow for the sale of Seasoned Mortgages under Gold Cash Xtra servicing-retained. Modifies language regarding requested Funding Dates for Mortgages sold under Gold Cash or GCX.

Exhibits

We've revised the following Exhibits:

- **Exhibit 8**—Delivery Balance Examples
- **Exhibit 65**—Audit Confirmation Request
- **Exhibit 79**—Designated Litigation Counsel/Trustee
- **Exhibit 80**—Balloon Loan Modification

Forms

We've revised the following Form:

- **Form 1055**—Mortgage Bankers Financial Reporting Form