

# Bulletin

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NUMBER: 2003-6

**Freddie  
Mac**

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TO: All Freddie Mac Sellers and Servicers

October 3, 2003

## SUBJECTS

Requirements amended in this Bulletin:

■ Selling and Servicing

Freddie Mac is:

- Revising our requirements for selling and Servicing Mortgages secured by Manufactured Homes
- Enhancing our Alt 97<sup>®</sup>, Affordable Gold<sup>®</sup> 97, Affordable Gold<sup>®</sup> Alt 97 and Freddie Mac 100 offerings to allow delivery of "no cash-out" refinance Mortgages and reduce postsettlement delivery fees for certain offerings, among other things
- Revising requirements for the purchase of Mortgages secured by Mortgaged Premises located in the States of Kentucky and Arkansas
- Amending the *Single-Family Seller/Servicer Guide* (Guide) to provide for Freddie Mac recalculation of delivery or funding fees within the first six months after the month of a Mortgage Settlement Date, if a Seller has delivered incomplete or inaccurate data
- Removing adjustable-rate Prepayment Protection Mortgages from the Guide and adding a requirement that all Prepayment Protection Mortgages pooled in a single fixed-rate nonstandard prepayment premium PC have the same prepayment premiums and prepayment premium periods
- Revising the Form 1077, Uniform Underwriting and Transmittal Summary, to accommodate current business practices

## EFFECTIVE DATES:

All of these changes are effective immediately except:

- **October 1, 2003**
  - The reduced postsettlement delivery fee rates for Alt 97, Affordable Gold Alt 97 and Freddie Mac 100 Mortgages are effective for Mortgages with Settlement Dates on and after this date.

- ❑ The reduced mortgage insurance coverage requirement for Freddie Mac 100 Mortgages is effective for Mortgages with Settlement Dates on and after this date.
- **October 6, 2003**
  - ❑ "No cash-out" refinance Mortgages that are Alt 97, Affordable Gold 97, Affordable Gold Alt 97 and Freddie Mac 100 Mortgages are eligible for delivery on and after this date.
  - ❑ Freddie Mac 100 Mortgages delivered on and after this date are eligible for sale through Guarantor and MultiLender Swap.
- **November 1, 2003**—Our new requirements for the purchase of Mortgages originated in the States of Kentucky and Arkansas are effective for deliveries on and after this date.
- **January 2, 2004**
  - ❑ The revised origination, appraisal, underwriting and selling requirements for Mortgages secured by Manufactured Homes are effective for Mortgages delivered on and after this date.
  - ❑ Mortgages secured by Manufactured Homes with Settlement Dates on and after this date will be subject to the new Manufactured Home postsettlement delivery fee.
  - ❑ The revised Servicing requirements for Mortgages secured by Manufactured Homes are effective on this date.
  - ❑ The revised mortgage insurance coverage requirement for Affordable Gold 97 Mortgages is effective for Mortgages with Settlement Dates on and after this date.
  - ❑ Effective for Mortgages with Settlement Dates on and after this date, Freddie Mac will recalculate delivery or funding fees within the first six months after the month of the Settlement Date of the Mortgage, if Freddie Mac or the Seller determines that the Seller delivered incomplete or inaccurate information.
  - ❑ Effective for Purchase Contracts or Master Commitment Conversions entered into on and after this date, adjustable-rate Prepayment Protection Mortgages are eligible for sale to Freddie Mac only on a negotiated basis and all Prepayment Protection Mortgages pooled in a single fixed-rate nonstandard prepayment premium PC must have the same prepayment premiums and prepayment premium periods.
- **April 1, 2004**—Use of the revised Form 1077 is required for Mortgages with applications taken on and after this date.

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

### **Selling and Servicing Changes**

#### **Mortgages secured by Manufactured Homes**

Freddie Mac is committed to providing financing for affordable housing. In support of this commitment, we actively participate in the secondary market for Mortgages secured by Manufactured Homes. Our willingness to purchase Mortgages secured by Manufactured Homes has helped to attract Mortgage lenders to this market, creating more financing options for low and moderate income Borrowers.

Freddie Mac will continue to purchase Mortgages secured by Manufactured Homes in support of our commitment to expand homeownership opportunities. However, we must change our requirements so that the Mortgages we purchase are originated, underwritten and serviced in a way that will better ensure that we are putting qualified Borrowers into homes they can afford and keep.

Freddie Mac is concerned about the industry-wide decline in the performance of Mortgages secured by Manufactured Homes. This decline suggests that many Borrowers are not able to meet the financial obligations associated with the purchase of a Manufactured Home and are failing to achieve successful, long-term homeownership. Delinquency rates for Mortgages secured by Manufactured Homes are significantly higher than those for traditional site-built homes. Current appraisal practices have not taken into account the special characteristics of Manufactured Homes, leading to problems with property valuation, which in turn have contributed to high delinquency and loss severity rates. We believe that the changes to our requirements will help ensure that Borrowers obtain financing for Manufactured Homes on terms that they can afford.

Freddie Mac has worked with the manufactured housing industry and our Seller/Serviceicers to resolve title issues concerning Manufactured Homes. Our December 2002 Guide Bulletin listed five States in which we've experienced title problems. Since then, Georgia, Tennessee, South Carolina, Florida and Michigan have enacted legislation allowing Manufactured Homes to be titled in the same way as real estate. We believe this change is important because it helps bring financing for Manufactured Homes into the mainstream of housing finance. However, we've also listened to our Seller/Serviceicers and are changing our title requirements. We will now permit the purchase of a Mortgage secured by a Manufactured Home that is legally classified as real property and titled with a certificate of title, provided that the Manufactured Home is located in a State that does not have procedures allowing for the surrender and cancellation of the certificate of title. We still expect Seller/Serviceicers to have the expertise to understand the complex title and lien perfection requirements in each State where they originate Mortgages secured by Manufactured Homes.

We have consolidated our updated selling requirements for Mortgages secured by Manufactured Homes in a new chapter in the Guide, Chapter H33, and have revised additional chapters, forms and exhibits in Volumes 1 and 1A. Our revised Servicing requirements are found in Volumes 2 and 2A. The definition for Manufactured Home has also been updated in the Glossary. We have summarized the selling and Servicing changes in this Bulletin, but we urge Seller/Serviceicers to read Chapter H33 in its entirety as well as the updated Glossary definition, chapters, forms and exhibits to completely understand our new requirements.

#### *Selling changes for Manufactured Homes*

Selling changes to support our new requirements for Manufactured Homes will:

- Provide additional guidance for Seller/Serviceicers on title and lien perfection requirements for Manufactured Homes.
- Revise our requirements for property eligibility by requiring:
  - Multiwide Manufactured Homes to be located on an individual lot or in a subdivision, PUD or Condominium Project
  - Single-wide Manufactured Homes to be located in a PUD or a Condominium Project

- ❑ Manufactured Homes to be located on land owned in fee simple; Mortgages secured by Manufactured Homes on leasehold estates will no longer be eligible for delivery under the Guide.
- Revise our requirements for maximum loan terms and maximum LTV, TLTV and HTLTV ratios.
- Revise our mortgage insurance requirements for Mortgages secured by Manufactured Homes.
- Require that Mortgages secured by Manufactured Homes be underwritten through Loan Prospector<sup>®</sup>, which remains the best way to assess the layering of risk present in a Mortgage transaction.
- Provide new requirements for appraiser qualifications, eligible appraisal forms, appraisal information, comparable sales, cost approaches and manufactured housing data. We're also introducing the use of a new Form 70B, Uniform Residential Appraisal Report Manufactured Home Addendum, which includes a more detailed cost approach. In addition, the Seller must provide the appraiser with a copy of the manufacturer's invoice if the Borrower has purchased a new Manufactured Home. We believe these changes will improve the quality of Manufactured Home appraisals, a benefit to Freddie Mac and the Borrower.
- Require a postsettlement delivery fee of 50 basis points for Mortgages secured by Manufactured Homes. This change will help compensate us for the risks associated with this property type.
- Require the delivery of Special Characteristics Code (SCC) 951 for a single-wide Manufactured Home and SCC 952 for a multiwide Manufactured Home. Sellers must also continue to deliver Property Type Code 4 for all Mortgages secured by Manufactured Homes, including those that are located in a Condominium Project or a PUD.
- Provide new closing requirements, including a requirement that the Seller instruct its closing agents to obtain specified documentation evidencing that the Manufactured Home is attached to the permanent foundation on the land. The Seller must also obtain an insured closing protection letter. If any of the documentation cannot be obtained until after closing, the Seller should obtain a properly circumscribed power of attorney from the Borrower that may be used to complete the postclosing items as intended.
- Provide additional requirements for Concurrent Transfers of Servicing for a Mortgage secured by a Manufactured Home located in a State where the certificate of title is required and cannot be surrendered or abandoned.
- Identify Mortgages secured by Manufactured Homes as Home Mortgages with high-risk characteristics for the purposes of a Seller's quality control program.

Mortgages that are secured by Manufactured Homes and have Settlement Dates on and after January 2, 2004, will be subject to the new Manufactured Homes postsettlement delivery fee. The remaining selling requirements are effective for Mortgages delivered on and after January 2, 2004.

In addition to our new requirements, we want to remind Sellers of our existing requirements for the identification of Mortgages secured by Manufactured Homes. As we stated earlier, the Seller must identify Manufactured Homes at time of loan delivery to Freddie Mac by using Property Type Code 4 on the Form 11, Mortgage Submission Schedule, or the Form 13SF, Mortgage Submission Voucher, as applicable. Sellers must also ensure that they properly identify Mortgages secured by Manufactured Homes when taking out a commitment under Gold Cash Xtra<sup>®</sup> using the servicing-released option.

There are also new Manufactured Homes identification requirements for Loan Prospector. Starting January 2, 2004, the Loan Prospector automated underwriting service (AUS) will provide two new property type categories—Manufactured Home Single-wide and Manufactured Home Multiwide—and additional feedback messages for Mortgages secured by Manufactured Homes.

*Servicing changes for Manufactured Homes*

Servicing changes to support our new requirements for Manufactured Homes will:

- Require a Servicer to ensure that Mortgages secured by Manufactured Homes are identified as such in their automated Servicing systems. If the Servicer determines that the Mortgaged Premises were not properly identified as a Manufactured Home when the Mortgage was sold to Freddie Mac, the Servicer must notify us immediately when they make this determination.
- Provide new foreclosure guidelines for Mortgages secured by Manufactured Homes, including a requirement that designated counsel must be used in those States identified by Freddie Mac and listed in the Designated Counsel/Trustee webpage on our website at [http://www.freddiemac.com/service/msp/desig\\_counsel.html](http://www.freddiemac.com/service/msp/desig_counsel.html).
- Remove the requirement that the Borrower have an involuntary inability to pay in order to be eligible for certain workouts.
- Prohibit Servicers from waiving Escrows on Mortgages serviced for Freddie Mac that are secured by Manufactured Homes.
- Require Mortgages secured by Manufactured Homes to be serviced by Tier 1 or Tier 2 Servicers only.
- Require that the Servicer order a Broker's Price Opinion (BPO) between 45 and 60 days of Delinquency to determine if the Manufactured Home has deteriorated in value.
- Provide additional requirements for Subsequent Transfers of Servicing for a Mortgage secured by a Manufactured Home located in a State where the certificate of title is required and cannot be surrendered or abandoned.

Our new Servicing requirements for Mortgages secured by Manufactured Homes are effective on January 2, 2004.

State and local laws reflect several approaches to requirements for documenting liens on a Manufactured Home that is real estate, and as we have seen this year, those laws can change. We encourage Servicers to periodically review their Freddie Mac Servicing portfolio to ensure that the procedures required by applicable local and State laws were followed for Mortgages secured by Manufactured Homes, that the Manufactured Homes are properly classified as real estate under State law and that the lien on the Manufactured Home and the land to which it is attached is properly evidenced and perfected.

We have added Chapter H33 and Form 70B and revised the following to reflect these changes:

- Chapters 17, 22, 23, 41, 44, 46, 47, 48, 51, 52, 53, 56, 59, 65, B65, 66 and 67
- Exhibits 19 and 26
- Forms 11, 13SF, 960 and 981
- Glossary
- Directory

We strongly encourage Seller/Service providers to read Chapter H33 and the updated Glossary definition, chapters, exhibits and forms to become familiar with our new requirements for selling and Servicing Manufactured Homes.

We remain committed to the purchase of Mortgages secured by Manufactured Homes. We look forward to continuing our work with the industry to identify best practices and other process improvements that will ensure that Manufactured Homes remain a viable source of affordable housing for low and moderate income Borrowers. To that end, we will continue to review our portfolio of Mortgages secured by Manufactured Homes and will update our requirements as needed.

## **Selling Changes**

### **Enhancements to Alt 97<sup>®</sup>, Affordable Gold<sup>®</sup> 97, Affordable Gold<sup>®</sup> Alt 97 and Freddie Mac 100 Mortgages**

*Effective October 1, 2003*

The following three changes are effective for Mortgages with Settlement Dates on and after October 1, 2003:

- A reduction in the postsettlement delivery fee rates for our Alt 97, Affordable Gold Alt 97 and Freddie Mac 100 offerings.
- A reduction in the mortgage insurance coverage requirement for Freddie Mac 100 Mortgages.
- The addition of adjustable-rate Mortgages (ARMs) to the list of products ineligible for delivery as Freddie Mac 100 Mortgages.

*Effective October 6, 2003*

The following two changes are effective for Mortgages delivered on and after October 6, 2003:

- The enhancement of our Alt 97, Affordable Gold 97, Affordable Gold Alt 97 and Freddie Mac 100 offerings to allow for delivery of "no cash-out" refinance Mortgages with additional eligibility, underwriting and documentation requirements.
- The addition of Guarantor and MultiLender Swap execution options for Freddie Mac 100 Mortgages.

*Effective January 2, 2004*

We are modifying our required mortgage insurance coverage level for Affordable Gold 97 Mortgages with Settlement Dates on and after January 2, 2004.

We have revised Chapters 17, D33, G33 and 34 and Exhibit 19 to reflect all of these changes.

### **Antipredatory lending legislation in Kentucky and Arkansas**

Recently, the States of Kentucky and Arkansas have enacted legislation intended to protect Borrowers from abusive lending practices. Freddie Mac has a strong track record of supporting effective antipredatory lending efforts, and we are revising our requirements for the purchase of Mortgages secured by Mortgaged Premises in the State of Kentucky ("Kentucky Mortgages") and Mortgages secured by Mortgaged Premises in the State of Arkansas ("Arkansas Mortgages") in response to the legislation enacted in these States.

*Kentucky high-cost home loan statute*

The Kentucky high-cost home loan statute (Kentucky Revised Statutes Chapter 360; the "Kentucky Act") was enacted in March 2003 and applies to Mortgages with Note Dates on and after June 24, 2003. Effective November 1, 2003, the following Kentucky Mortgages are eligible for delivery to Freddie Mac:

- Mortgages with Note Dates before June 24, 2003
- Mortgages with Note Dates on and after June 24, 2003, that are not subject to the Kentucky Act, such as:
  - Mortgages with an original principal balance less than or equal to \$15,000 and greater than \$200,000
  - Second home Mortgages
  - Investment Property Mortgages
- Mortgages with Note Dates on and after June 24, 2003, that are not high-cost home loans as defined by the Kentucky Act

For each Kentucky Mortgage with a Note Date on or after June 24, 2003, that is secured by a 1–4 unit Primary Residence, the Seller must include a copy of the final Truth in Lending Statement in the Mortgage file. At this time, there are no special underwriting or delivery requirements for Kentucky Mortgages.

For each Kentucky Mortgage delivered to Freddie Mac with a Note Date on or after June 24, 2003, the Seller must represent and warrant that either the Mortgage is not subject to the Kentucky Act or the Mortgage is not a high-cost home loan as defined by the Kentucky Act. A Kentucky Mortgage that is a high-cost home loan as defined by the Kentucky Act is not eligible for delivery to Freddie Mac.

These provisions have been added to a new Section in Chapter 22 of the Guide, Section 22.18.3 ("Mortgaged Premises Located in Kentucky"). The provisions of Section 22.18.3 are Discretionary Provisions under Section 12.13 and Exhibit 26. Exhibit 26 has been updated to reflect this change. Unless otherwise notified in writing, Sellers are eligible to deliver Kentucky Mortgages.

*Arkansas Home Loan Protection Act*

The Arkansas Home Loan Protection Act ("AHLPA"), enacted in April 2003, applies to Mortgages with Note Dates on and after July 16, 2003. Effective November 1, 2003, the following Arkansas Mortgages are eligible for delivery to Freddie Mac:

- Mortgages with Note Dates before July 16, 2003
- Mortgages with Note Dates on and after July 16, 2003, that are not subject to the AHLPA, such as:
  - Mortgages with an original principal balance greater than \$150,000
  - Second home Mortgages
  - Investment Property Mortgages
- Mortgages with Note Dates on and after July 16, 2003, that are not high-cost home loans as defined by the AHLPA

For each Arkansas Mortgage with a Note Date on or after July 16, 2003, that is secured by a 1–4 unit Primary Residence, the Seller must include a copy of the final Truth in Lending Statement in the Mortgage file. At this time, there are no special underwriting or delivery requirements for Arkansas Mortgages.

For each Arkansas Mortgage delivered to Freddie Mac with a Note Date on or after July 16, 2003, the Seller must represent and warrant that either the Mortgage is not subject to the AHLPA or the Mortgage is not a high-cost home loan as defined by the AHLPA. An Arkansas Mortgage that is a high-cost home loan as defined by the AHLPA is not eligible for delivery to Freddie Mac.

These provisions have been added to a new Section in Chapter 22 of the Guide, Section 22.18.4 ("Mortgaged Premises Located in Arkansas"). The provisions of Section 22.18.4 are Discretionary Provisions under Section 12.13 and Exhibit 26. Exhibit 26 has been updated to reflect this change. Unless otherwise notified in writing, Sellers are eligible to deliver Arkansas Mortgages.

Sellers should become familiar with the requirements of antipredatory lending legislation, including the penalties for noncompliance. Freddie Mac expects Sellers to review their loan origination processes, including those with third-party originators, and to put in place processes based on the requirements of the applicable State antipredatory lending laws to ensure that they do not deliver high-cost home loans and other ineligible Mortgages to Freddie Mac. As always, in accordance with provisions of Section 6.2(a) of the Guide, Sellers must ensure that they comply with all applicable State and federal laws, regulations and orders.

Freddie Mac will conduct post-purchase reviews of Kentucky Mortgages and Arkansas Mortgages. Mortgages that are not in compliance with the Guide will be subject to repurchase.

#### **Changes to delivery and funding fee provisions**

Currently, if Freddie Mac determines within 12 months after delivery of a Mortgage that a Seller has delivered incomplete or inaccurate data affecting the delivery or funding fee for that particular Mortgage, Freddie Mac will recalculate the applicable postsettlement delivery or funding fee for that Mortgage. Freddie Mac's fee recalculation using the correct and complete data may result in the Seller being assessed an additional fee or receiving a refund.

Effective for Mortgages with Settlement Dates on and after January 2, 2004, we are amending the Guide to state that Freddie Mac will recalculate delivery or funding fees within the first six months after the month of the Settlement Date of the Mortgage, if Freddie Mac or the Seller determines that the Seller has delivered incomplete or inaccurate information. For example, if Freddie Mac or the Seller determines that incomplete or inaccurate information was delivered for a Mortgage with a Settlement Date in January 2004, Freddie Mac may recalculate that delivery or funding fee through and including the last Business Day of July 2004.

This change will encourage Seller/Serviceicers to submit data corrections to us on a more timely basis and will allow for a quicker reconciliation of the settlement funds for Mortgages sold to Freddie Mac. Freddie Mac remains committed to assisting our Sellers with data issues by providing tools to help identify data delivery issues earlier, such as the enhanced data correction process via MIDANET and continued Quality Control reviews.

We have revised Chapter 17 to reflect this change.

### **Prepayment Protection Mortgages**

Effective January 2, 2004, we are amending the Guide to remove adjustable-rate Prepayment Protection Mortgages. If you originate adjustable-rate Prepayment Protection Mortgages and want to continue to sell them to Freddie Mac on and after January 2, 2004, you must submit an eligibility request through your Account Manager by December 5, 2003.

We are also amending the Guide to require that all Prepayment Protection Mortgages pooled in a single fixed-rate nonstandard prepayment premium PC have the same prepayment premium and prepayment premium period. This pooling change will ensure that Prepayment Protection Mortgages delivered to Freddie Mac are pooled in a manner that promotes homogeneity and disclosure transparency.

We have updated Chapters 17 and B33, Exhibits 17 and 22, Form 13SF and the Glossary to reflect these changes.

### **Revised Form 1077, Uniform Underwriting and Transmittal Summary**

Freddie Mac and Fannie Mae have completed their joint effort to revise the Uniform Underwriting and Transmittal Summary (Form 1077/1008). The revised form incorporates input from Fannie Mae and Freddie Mac internal business areas, as well as feedback obtained from Seller/Servicers.

The result of this project is a streamlined Form 1077 that reduces the document size to one page, eliminates the majority of the delivery information that appears on the current form and requires the delivery of information specific to underwriting loans evaluated by an automated underwriting service (AUS) system.

The revised form is included with this Bulletin and is also available on our website at <http://www.freddiemac.com/sell/forms/index.html>.

Seller/Servicers are required to use the revised Form 1077 for Mortgages with applications taken on and after April 1, 2004. However, Seller/Servicers may begin to use the revised form immediately. Seller/Servicers using the current Form 1077 (dated 3/97) after January 1 and before April 1, 2004, *should not complete* the section of the form titled "Information for Government Monitoring Purposes Only."

### **Servicing Changes**

#### **Changes to Document Custodial Services contact information**

Due to systems changes in the Freddie Mac Document Custodial Services department, we have revised contact information in Directory 10.

#### **Reprint of chapters and exhibits in revised format**

As announced earlier this year, a change in software has enabled us to make changes to the layout of Guide pages. We also noted that, as a result of this reformat, you would notice larger Bulletins from time to time.

In this Bulletin, we are reissuing some chapters and exhibits from Volumes 1, 1A, 2 and 2A that do not contain text revisions related to the October Bulletin, but that have not yet previously been issued in the revised format. You should remove the current versions of the following items from your Guide and replace them with the new, reformatted versions included with this Bulletin:

- Chapters 50, 55, 58, 60, 61, 64, 73, 76, 77, 79, 81 and 82
- Exhibits 12, 50, 51, 52, 53, 54, 58, 60, 61, 62, 63, 64, 66, 68, 71, 72, 76, 77, 78, 78A, 81, 82, 83, 85 and 87
- Volume 1 Exhibits List
- Volume 2 Forms List

We will provide the remaining reformatted chapters and exhibits later this year, which will enable us to provide you with an updated Table of Contents for the Guide by year-end.

### **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 17, 22, 23, B33, D33, G33, H33, 34, 41, 44, 46, 47, 48, 51, 52, 53, 56, 59, 65, B65, 66, 67 and 71
- Exhibits 17, 19, 22, 26 and 57
- Forms 11, 13SF, 70B, 960, 981 and 1077
- Glossary
- Directory

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,



David Andrukonis  
Senior Vice President, Capital Deployment

# Exhibit A

## Highlights of Revisions in this Package

Bulletin 2003-6 incorporates changes to the following chapters of the *Single-Family Seller/Service Guide* (Guide):

- **Chapter 17**—Mortgage Delivery and Settlement Processing—Revises delivery requirements for Mortgages secured by Manufactured Homes. Revises language regarding pooling requirements for Alt 97 Mortgages. Modifies language regarding eligibility, special cash delivery requirements and pooling requirements for Freddie Mac 100 Mortgages. Revises language regarding Freddie Mac recalculation of delivery or funding fees after the month of the Settlement Date of the Mortgage. Removes requirements for delivery of adjustable-rate Prepayment Protection Mortgages, which are no longer eligible for delivery. Adds language to require that all Prepayment Protection Mortgages pooled in a single fixed-rate nonstandard prepayment premium PC have the same prepayment premiums and prepayment premium periods.
- **Chapter 22**—General Mortgage Eligibility—Revises language regarding Mortgages secured by Manufactured Homes by deleting Section 22.21 and moving those requirements to the new Chapter H33. Adds language regarding requirements for the purchase of Mortgages secured by Mortgaged Premises located in the States of Kentucky and Arkansas.
- **Chapter 23**—Maximum Loan Amounts and LTV, TLTV and HTLTV Ratios—Revises language to indicate LTV, TLTV and HTLTV ratios for some products may be provided in other Guide sections.
- **Chapter B33**—Prepayment Protection Mortgages—Removes adjustable-rate Prepayment Protection Mortgages. Adds language to require that all Prepayment Protection Mortgages pooled in a single fixed-rate nonstandard prepayment premium PC have the same prepayment premiums and prepayment premium periods.
- **Chapter D33**—Alt 97<sup>®</sup> Mortgages—Adds language to permit sale of "no cash-out" refinance Alt 97 Mortgages.
- **Chapter G33**—Freddie Mac 100 Mortgages—Revises language regarding required mortgage insurance coverage. Adds language to permit sale of "no cash-out" refinance Freddie Mac 100 Mortgages. Adds ARMs to the list of products that may not be Freddie Mac 100 Mortgages.
- **Chapter H33**—Manufactured Homes—New chapter that contains requirements for Mortgages secured by Manufactured Homes formerly located in Guide Section 22.21.
- **Chapter 34**—Special Eligibility Requirements for Affordable Gold<sup>®</sup> Mortgages—Revises language regarding required mortgage insurance coverage. Adds language to permit sale of "no cash-out" refinance Affordable Gold 97 and Affordable Gold Alt 97 Mortgages.
- **Chapter 41**—Special Warranties for Leasehold Estates—Removes Mortgages secured by Manufactured Homes located on leasehold estates from the Guide.

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- **Chapter 44**—Appraisal Reports, Inspection Reports and No-appraisal MAF—Revises language regarding Mortgages secured by Manufactured Homes.
  - **Chapter 46**—Freddie Mac's Postfunding Quality Control Review—Revises language regarding Mortgages secured by Manufactured Homes. Adds a reference to Chapter 22 for documentation requirements for Mortgages secured by Mortgaged Premises located in States subject to antipredatory lending legislation.
  - **Chapter 47**—Mortgage File Contents—Provides a cross-reference to Chapter H33 for provisions for Manufactured Homes.
  - **Chapter 48**—Seller's In-House Quality Control Program—Expands the list of Mortgages with high-risk characteristics to include Manufactured Homes and certain other products.
  - **Chapter 51**—General Freddie Mac Policies—Adds a provision requiring Servicer reimbursement to Freddie Mac for costs incurred resulting from delays in foreclosure or bankruptcy timelines due to failure to properly originate or service the Mortgage. Requires Tier I and Tier II Servicer for Mortgages secured by Manufactured Homes.
  - **Chapter 52**—Mortgage File Retention—Revises language regarding Mortgages secured by Manufactured Homes.
  - **Chapter 53**—Servicer Agreements—Revises language regarding Mortgages secured by Manufactured Homes.
  - **Chapter 56**—Transfers of Servicing—Adds language regarding Mortgages secured by Manufactured Homes located in certificate of title States.
  - **Chapter 59**—Escrow and Prepayments—Changes Escrow requirements for certain Mortgages, including Mortgages secured by Manufactured Homes.
  - **Chapter 65**—Loss Mitigation—Revises language regarding Mortgages secured by Manufactured Homes and vacant or abandoned property and Rural Housing Service Guaranteed Mortgages.
  - **Chapter B65**—Workout Options—Revises language regarding Mortgages secured by Manufactured Homes.
  - **Chapter 66**—Foreclosure—Revises language regarding Mortgages secured by Manufactured Homes.
  - **Chapter 67**—Adverse Matters—Revises language regarding Mortgages secured by Manufactured Homes and Rural Housing Service Guaranteed Mortgages.

### **Exhibits**

We've revised the following Exhibits:

- **Exhibit 17**—Offer Product Number Listing
- **Exhibit 19**—Postsettlement Delivery Fees
- **Exhibit 22**—Form of Additional Supplement

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- **Exhibit 26**—Discretionary Provisions
  - **Exhibit 57**—1–4 Unit Property Approved Expense Amounts

### **Forms**

We've revised the following Forms:

- **Form 11**—Mortgage Submission Schedule
- **Form 13SF**—Mortgage Submission Voucher
- **Form 960**—Agreement for Concurrent Transfer of Servicing of Single-Family Mortgages
- **Form 981**—Agreement for Subsequent Transfer of Servicing of Single-Family Mortgages
- **Form 1077**—Uniform Underwriting and Transmittal Summary

We've added the following Form:

- **Form 70B**—Uniform Residential Appraisal Report Manufactured Home Addendum

### **Glossary**

We've revised the following terms:

- **Manufactured Home**
- **Prepayment Protection Mortgage**

We've deleted the following terms from the Glossary and moved them to Chapter B33:

- **3-year Prepayment Protection Mortgage**
- **5-year Prepayment Protection Mortgage**
- **Nonstandard Prepayment Protection Mortgage**

### **Directory**

We've revised the following Directories:

- **Directory 10**
- **Directory 17**

