## 29SFR.1 Title insurance policy requirements (07/06/18)

Each SFR Mortgage purchased by Freddie Mac must be covered by one or more title insurance policies meeting the requirements in this chapter.

It is the responsibility of the Seller and its counsel or Single Counsel, as applicable, to do each of the following:

a. Obtain and review in detail the title commitment, documents evidencing or creating each exception to title and the title policy. Seller may engage a third-party to conduct such review.

b. Bring to Freddie Mac's immediate attention any issue that could result in a material adverse effect on the SFR Mortgage or the use or marketability of any portion of the Property or could create potential safety or environmental issues.

Seller may engage a third-party service provider to conduct the review specified in 29SFR.1(a), but Seller will remain bound by its obligations in this Chapter 29SFR regarding the ultimate acceptability of the title insurance policy and conformity with this Chapter 29SFR.

The Property that secures an SFR Mortgage is made up of several single family detached homes, townhomes, rowhomes, duplexes, triplexes, or quadraplexes; for the purposes of this Chapter 29SFR, each of which individually are referred to in this Chapter 29SFR as a “Property Segment.”

### a. Title insurer (07/06/18)

Each title insurance policy must be written by a title insurer licensed to do business in the jurisdiction where the insured Property Segments are located (unless such jurisdiction is Iowa).

The title insurer must appear on the Affordable Single-Family Rental Approved Vendor List available at https://mf.freddiemac.com/seller_servicer/legal/sf-rental/index.html.

### b. Amount of protection (07/06/18)

Each applicable title insurance policy must protect the mortgagee up to at least the aggregate allocated Loan Amount for all the Property

Segments subject to that title insurance policy. If the Seller delivers more than one title insurance policy for a given Loan, then when taken together, those title insurance policies must protect the mortgagee up to at least the full Loan Amount.

**c. Insured (07/06/18)**

The title insurance policy must name as the insured either

- Freddie Mac, its successors or assigns, or
- Seller and/or Freddie Mac, its successors or assigns, as their interests may appear

**d. Form (07/06/18)**

Seller must deliver one title insurance policy for each state in which the insured Property Segments are located (unless specifically prohibited by jurisdiction).

The title insurance policy must be produced on the 2006 American Land Title Association (ALTA) Loan Policy form (2006 ALTA Loan Policy) with the following exceptions:

- For a Mortgage secured in part by one or more Property Segments located in Florida, the title insurance policy for those Property Segments must be produced on the form of 2006 ALTA Loan Policy with Florida Modifications.
- For a Mortgage secured in part by one or more Property Segments located in Texas, the title insurance policy for those Property Segments must be produced on the form of 2014 Texas Mortgage Policy of Title Insurance (T-2) (TX Loan Policy).

Each title insurance policy must be delivered in in a format acceptable to Freddie Mac. At minimum, the title insurance policy must include the following items as described and in the order specified:

- Policy Jacket (with a reference to the Seller and state of issuance)
- One Schedule A per title insurance policy.

    - Item 4 on Schedule A (description of mortgage and related assignment) must include a reference by attachment to each recorded mortgage and the subsequent assignment of the mortgage to Freddie Mac.
- All the endorsements required in Section 29SFR.1(e) that are applicable to all the Property Segments insured by that title insurance policy.
- For each Property Segment:
    - Legal Description
    - Property address
    - Tax parcel identification number (if available in the jurisdiction)
    - Schedule B
    - Endorsements specific to that Property Segment
    - Each page of these Property Segment specific items must include the applicable property address.

Freddie Mac will accept a title insurance policy in an electronic format (Electronically Issued Policy) if the Electronically Issued Policy includes an endorsement specifying the issuing company will not deny coverage solely on the grounds the policy and/or endorsements were issued electronically and/or lacked signatures.

### e. Endorsements (07/06/18)

Each endorsement required for a title insurance policy must either be (1) attached to the title insurance policy, or (2) in the case of a 2006 ALTA Loan Policy, be incorporated into the title insurance policy by reference only without attaching the endorsements to the title insurance policy.

For each title insurance policy, the endorsements specified in the chart below must be included (if applicable) and each such endorsement must satisfy the following conditions:

- Be the most recent form of endorsement approved by ALTA or CLTA (California Land Title Association), if an ALTA or CLTA form is available.
- Include the number of the title insurance policy.
- Be signed by the title insurer or agent if the title insurance policy does not include a lack of signatures endorsement (see chart

below). The signature may be an Electronic Signature or a pre-printed signature that is part of the form of the endorsement.

| Endorsement/ Explanation | Alternatives |
|---|---|
| 1. ALTA Form 9-06, Restrictions, Encroachments, Minerals – Loan Policy (Adopted 04-02-12) | An equivalent endorsement is acceptable only if ALTA Form 9-06 (Adopted 04-02-12) is not available in the State where the Property Segments are located.<br><br>For Property Segments located in Texas, Texas Form T-19 is acceptable.<br><br>For Property Segments located in Florida, ALTA 9-06 (adopted 12-01-13); Florida Modified (Rev. 05-19-14 with FL modifications) is acceptable. |
| 2. Lack of Signatures Endorsement | Required only if the following requirements are not otherwise satisfied:<br><br>Freddie Mac will accept a title insurance policy and its endorsements produced and distributed to Seller or Single Counsel in electronic format (an "electronically issued policy") if the electronically issued policy includes an endorsement that provides that the issuing company will not deny coverage solely on the grounds that the policy and/or endorsements were issued electronically and/or lacked signatures. |

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|---|---|
| 3. Deletion of Compulsory Arbitration Endorsement | Required only if the following requirements are not otherwise satisfied:<br><br>With respect to a title insurance policy issued on either a 2006 ALTA Loan Policy or Texas Loan Policy form, Freddie Mac requires the title insurance policy to contain one of the following:<br>• an endorsement deleting all compulsory arbitration provisions from the title insurance policy; or<br>• an amendment to the title insurance policy stating that both the title insurer and the insured must agree to arbitration when the amount of insurance is $2 million or less with respect to any claim made by or on behalf of Freddie Mac.<br><br>The form of 2006 ALTA Loan Policy with Florida Modifications does not include any compulsory arbitration provisions. Therefore, any title insurance policy issued on that form does not require revisions of the arbitration provisions. |
| 3. Mortgage Recording Tax<br><br>Required only in Maryland, New York, and Virginia, where Borrower is saving recording taxes by using a consolidation or assignment/ amendment of an existing mortgage. | Deliver the state specific form applicable to the jurisdiction. |
| 4. Texas Form T-30, Tax Deletion<br><br>Required only in Texas when the language regarding subsequent taxes for prior years cannot be deleted from the policy. | Deliver the endorsement or the language regarding subsequent taxes for prior years must be deleted from the policy. |

**f. Date of title insurance policy (07/06/18)**

1. The title insurance policy must be dated as follows:

   - The date must be no earlier than the effective date of the policy and no later than the date of recordation of the assignment of the Security Instrument to Freddie Mac.

   - The date of the title insurance policy must be a date certain. Freddie Mac will not accept a title insurance policy with a blank effective date or an effective date described as "the date of the assignment or the date of recordation, whichever is later" or any similar language.

2. If any Property Segment is located in a jurisdiction where gap title insurance coverage is not available for regulatory reasons, the Seller may submit a title insurance policy that is dated earlier than the date of recordation (but not earlier than the date of the assignment of the Security Instrument) if all the following conditions are met:

   (a) The Seller must provide a letter from the title insurer or agent addressed either to Freddie Mac or to the Seller and its assigns that states all the following:

   (i) The title insurer or agent has delivered the Security Instrument, the assignment of the Security Instrument and the UCC financing statements to the applicable clerk for recordation.

   (ii) The title insurer is assuming the risk of any intervening liens or encumbrances that may be recorded between the policy effective date and the completion of recording of the documents specified in Section 29SFR.1(g)(2)(a)(ii).

   The information in 29SFR.1(g)(2)(a)(ii) may also be provided by a note in the title insurance policy.

   (b) Immediately after receipt of recordation information for the documents specified in Section 29SFR.1(g)(2), Seller must deliver to Freddie Mac Multifamily Purchase an ALTA Form 44-06 or equivalent endorsement which does each of the following:

(i) Changes the effective date of the title insurance policy to the date of recordation of the Security Instrument and the assignment of the Security Instrument, and

(ii) Provides the recordation date and book and page (or recorded instrument) number for the Security Instrument and the assignment of the Security Instrument.

**g. Identification of recorded documents (07/06/18)**

1. The title insurance policy must identify the Security Instrument, the assignment of the Security Instrument and any other required recorded documents by title of document, parties, effective date of document, date of recording, and the recording office.

2. The title insurance policy must provide one of the following regarding each recorded document:

   - Book and page number or recorded instrument number and date of recording of each document and the transaction number or other serial number, if any, indicated on the recording clerk's receipt.

   - Date of recording with blanks for the book and page or recorded instrument number and blanks for the date of recording and the book and page number or recorded instrument number. If recordation information is not available at the time of closing, Seller must also deliver an endorsement that modifies the title insurance policy to include the recordation information as soon as such information is available.

**h. Insured Closing Protection Letter (07/06/18)**

If either of the recordation of the documents or the escrow and disbursement of funds in connection with the origination of the Mortgage is being handled by a title agent rather than a branch officer of the title insurer, then if it is available in the applicable jurisdiction, the Seller or Single Counsel (if applicable) must also provide an insured closing protection letter signed by the title agent addressed either to Freddie Mac, or to the Seller and its successors and assigns, that provides coverage for any loss that arises out of (i) the failure of the title agent to comply with Seller's written closing instructions, or (ii) fraud or dishonesty in handling the funds or documents in connection with the origination of the Mortgage.

## 29SFR.2 Deletion of standard exceptions (07/06/18)

The title insurer must delete the standard exceptions on Schedule B, Part I of its policy, including any general survey exception, and the policy may omit Schedule B, Part II.

## 29SFR.3 Legal description requirements (07/06/18)

Seller or Single Counsel must confirm that the legal description prepared by the title agent for each Property Segment has been properly attached to the following documents and is the same in all material respects:

- Title insurance policy
- Security Instrument
- Related assignment of Security Instrument
- UCC Financing Statement – land records