

Multifamily Seller/Servicer Guide

Chapter 32

Final Delivery Requirements

32.1 General final delivery requirements

a. Forms (09/01/16)

All of the Loan Documents, Final Delivery Tables of Contents, and Final Delivery Instructions referenced in this chapter are available on FreddieMac.com.

Final Delivery Table of Contents refers to either of the following, as applicable:

- Final Delivery Package Immediate Cash Loan and TAH Unfunded Forward Cash at Conversion Table of Contents
- Final Delivery Package Table of Contents Small Loan Purchase Product

Final Delivery Instructions refers to either of the following, as applicable:

- Final Delivery Instructions – Immediate Cash and TAH Unfunded Forward Cash at Conversion
- Final Delivery Instructions – Small Balance Loan Purchase Product

b. Delivery of Final Delivery Package (05/05/17)

The Seller must deliver to Freddie Mac, at the Seller's expense, the Final Delivery Package. For all programs and products, the Seller must deliver the Final Delivery Package to *Multifamily Purchase*. Each delivery of a Mortgage to Freddie Mac must comply with the requirements of this chapter, the chapter for the applicable purchase program or product, and the applicable Final Delivery Instructions.

The “Final Delivery Package” consists of:

- The electronic delivery portion of the Final Delivery Package, which consists of documents delivered electronically to *Multifamily Purchase* by uploading such documents into the Document Management System (DMS). For identification of the documents comprising the electronic delivery Final Delivery Package, see the applicable Final Delivery Table of Contents. For guidance on how to deliver documents via DMS, see the document mapping in the Final Delivery Table of Contents.
- The hardcopy delivery portion of the Final Delivery Package, which consists of items delivered to *Multifamily Purchase* in their original hardcopy form. For identification of the documents comprising the hardcopy delivery portion of the Final Delivery Package, see the applicable Final Delivery Table of Contents.

Certain documents required to be included in the Final Delivery Package must be included in both the electronic delivery portion and the hardcopy delivery portion as specified in the Final Delivery Table of Contents.

Freddie Mac will accept delivery of the Note directly from the warehouse lender, and will accept electronic deliveries and hardcopy deliveries received at separate times, but Freddie Mac does not deem a Final Delivery Package to be complete until Freddie Mac has received both the electronic and the hardcopy delivery portions of such package. Note that required electronic documents must all be uploaded to DMS before hardcopy documents arrive at Freddie Mac.

When delivering hardcopy documentation without a Final Delivery Table of Contents, a completed Multifamily Document Transmittal Form, available on FreddieMac.com, must be attached. In the case of deliveries of a pool of Mortgages (more than one Mortgage from the same Borrower or related Borrowers), the Seller must coordinate all deliveries so that the electronic and hardcopy delivery portions are received on the same date.

c. Delivery and review period; preferred funding (09/01/16)

1. The Seller must deliver the Final Delivery Package no later than noon Eastern time on the Mandatory Delivery Date identified in the applicable Letter of Commitment or early rate-lock application.

If the Seller plans to deliver a Final Delivery Package more than five days prior to the Mandatory Delivery Date, the Seller must notify the *Multifamily Purchase Manager* at mf_purchase_boarding_mgrs@freddiemac.com.

2. The Seller must request in writing its preferred funding date (no earlier than 10 calendar days from the date on which Freddie Mac receives the Final Delivery Package and no later than the Mandatory Funding Date) by insertion of the preferred funding date on the applicable blank on the Final Delivery Table of Contents. If the Seller fails to provide a preferred funding date, funding will occur once review is completed, but no later than the Mandatory Funding Date.
3. Freddie Mac will commence review of the Final Delivery Package upon receipt. The Seller should plan for funding on the Seller's requested preferred funding date, as long as that date is at least 10 calendar days after the date on which Freddie Mac receives the Final Delivery Package and no later than the Mandatory Funding Date.

d. Completion of documents (09/01/16)

1. Identification of documents
The Loan Document revision date must appear on each Loan Document.
2. Completion of blanks by the Seller
The Seller must complete each blank in a Loan Document or other form required by Freddie Mac with the information specified by Freddie Mac, with "n/a," or with a cross-reference to the applicable modification Exhibit, as applicable. If the Letter of

Commitment, the early rate-lock application or the Guide does not specify how a blank is to be completed, the Seller must contact

- the *Applicable Freddie Mac Multifamily Regional Office* for instructions, for non-SBL Mortgages
- the *Multifamily Small Balance Loan Team*, for SBL Mortgages

3. Required changes

The Seller must do all of the following:

- Make any changes to the Loan Documents that are
 - Required in writing by Freddie Mac
 - Required by the applicable Mortgage purchase program or product
 - Listed in the Authorized Changes to the Multifamily Loan Documents
- Add the signature block and any required witness signature lines and/or acknowledgments, in the form required by applicable law
- Include any changes to the format of the Loan Documents (for example, paper size, fonts, spacing) that are required by applicable laws

4. Permitted Changes

The Seller may add a table of contents, change the pagination and/or make changes to the font, paper size and other aspects of the Loan Documents. The Seller must ensure that any such permitted changes comply with the requirements of applicable law.

5. Method for making changes

The Seller must make all authorized and required changes on the appropriate modification exhibit to the document, and must mark the applicable box on the document to indicate such an exhibit is attached. The Seller may not make any changes to the Loan Documents by altering the text of the body of the document, except that modifications may be made directly to the text of the body of Riders to Loan Documents so long as such modifications are clearly identified by intentionally showing stricken-through (deleted) text and underlined (new) text.

e. Forms for assignments (05/01/14)

Freddie Mac requires that the Seller assign to Freddie Mac certain documents in addition to the Security Instrument (for example, the Loan Agreement and the Guaranty). Freddie Mac requires the Seller to use the Freddie Mac Omnibus Assignment for all documents required to be assigned to Freddie Mac under the Guide, the Letter of Commitment, or the early rate-lock application (other than recorded documents and the Note).

f. Electronic recording (09/01/16)

The Seller must electronically submit for recording or filing all Mortgage documents required to be recorded or filed if the applicable recording office accepts electronic recordings and/or filings.

g. Organization of the hardcopy Final Delivery Package (09/01/16)

With respect to the hardcopy portion of a Final Delivery Package, the Seller must deliver all of the applicable documents (except the Note delivered by a warehouse lender) along with

the electronic versions in the following manner:

- Deliver an accordion folder (sometimes referred to as a redwell folder) labeled with the Seller's name, Freddie Mac loan number, property name, and identified as the Final Delivery Package, with all documents adequately secured. The Seller must fasten each multipage document with a staple (with the exception of the Note and the Loan Agreement, which must be clipped). The Seller must not insert any loose documents or use rubber bands to hold any documents together;
- Arrange the documents in the order listed in the applicable Final Delivery Table of Contents, with the first listed item on top, the second item below it and so on; and
- Include the applicable Final Delivery Table of Contents, which identifies the titles of the documents included, and tabs to mark each item. If a document listed in the Final Delivery Table of Contents is not applicable, "N/A" must be noted on the Final Delivery Table of Contents. No such corresponding blank documents may be delivered or uploaded as part of the electronic delivery package.

h. Freddie Mac's review not a waiver (05/01/14)

Freddie Mac's review of submitted documents will not discharge or limit the Seller's liability for breach of any warranties made under the Purchase and Servicing Documents. Further, the fact that Freddie Mac has prescribed a form for a particular document does not relieve the Seller of its obligation to ensure that all documents comply with and are enforceable under applicable law. If the Seller doubts such compliance or enforceability with respect to a particular document, an attorney who represents the Seller must contact the applicable Freddie Mac *Multifamily Attorney* for instructions.

i. Review of Mortgage prior to purchase (05/01/14)

Before the Freddie Mac Funding Date, Freddie Mac may, in its discretion, refuse to purchase any Mortgage if it determines any of the following:

- The Mortgage is not of investment quality.
- The Seller has failed to satisfy or has breached any of the provisions of the Purchase and Servicing Documents.
- Any of the Seller's warranties or representations to Freddie Mac are untrue.
- Any information provided by or on behalf of the Borrower is untrue, incomplete or misleading.

If Freddie Mac declines to purchase a Mortgage for any of the reasons set forth above, it will retain any application fees paid to it and will treat the situation as a non-delivery of the Mortgage.

j. Funding (09/01/16)

After Final Delivery, Freddie Mac will review the Final Delivery Package and set the Freddie Mac Funding Date as the date requested by the Seller on the Final Delivery Table of Contents, subject to the limitations set forth in Section 32.1(c)(3). Freddie Mac will make payment on the requested date provided the conditions set forth in the Letter of Commitment or early rate-lock application, as applicable, and the applicable product chapters, and the Final Delivery Instructions, have been satisfied.

k. Late delivery; nondelivery (09/01/16)

For non-SBL Mortgages, late delivery and nondelivery provisions are found in the following sections:

- Section 17.14, for Mortgages delivered under the standard delivery option
- Section 17.25, for Mortgages delivered under the early rate-lock delivery option
- Section 19A.21, for Mortgages delivered under a Forward Commitment

For SBL Mortgages, late delivery and nondelivery provisions are found in Chapter 18SBL.

Multifamily Purchase may, in its discretion, assess a late fee for Final Delivery Packages received after the Mandatory Delivery Date. The late fee will be calculated by *Multifamily Purchase* as a per diem, using the interest rate set forth in the Note.

32.2 Warehouse Mortgage delivery (05/05/17)

For Mortgages that are subject to a security interest of a warehouse lender, the Final Delivery Package must include a properly completed, dated and executed Form 987M, Wire Transfer Authorization – Cash Warehouse Delivery, attached to a properly completed and executed Form 996M, Warehouse Lender Release of Security Interest, as required by Chapter 33. When delivering hardcopy documentation without a Final Delivery Table of Contents, a completed Multifamily Document Transmittal Form, available on FreddieMac.com, must be attached.

32.3 Use of counsel; documents for final delivery (09/28/18)

For each non-SBL Mortgage submitted to Freddie Mac for purchase, an attorney who represents the Seller and who has the qualifications and experience required by Section 6.2 must

- Perform the tasks required by Chapter 6
- Prepare and/or review all legal documents

For each SBL Mortgage or TEL submitted to Freddie Mac for purchase, Single Counsel who represents the Seller and Freddie Mac must

- Perform the tasks required by Chapter 6SBL for each SBL Mortgage, or required by Chapter 25 or 25A, as applicable, for each TEL
- Prepare and/or review all legal documents

The Seller must originate the Mortgage using the form documents listed in the applicable Currently Acceptable Multifamily Loan Documents accessed on FreddieMac.com. Each form used must have been listed on FreddieMac.com during the period between the date the Letter of Commitment is issued (or the early rate-lock application is submitted by the Seller) and the Origination Date, unless otherwise approved in writing by Freddie Mac.

A Seller may

- Provide its counsel with the appropriate Loan Documents that the Seller has obtained directly from FreddieMac.com, or
- Instruct its counsel to obtain the appropriate Loan Document directly from FreddieMac.com.

Regardless of the method used by the Seller's counsel to obtain the Loan Documents, the Seller will be responsible for making the absolute warranty set forth in Section 5.2(c).

32.4 Specific final delivery requirements (05/01/14)

In addition to the general requirements set forth in this chapter, more specific delivery requirements are set forth in the Final Delivery Instructions.

32.5 Delivery of Initial Delivery Packages for Forward Commitments for non-SBL Mortgages (09/01/16)

For all Forward Commitment products, the Seller must submit the Initial Delivery Package to *Multifamily Purchase* in accordance with the Final Delivery Instructions – Forward Commitment Initial Delivery. Final Delivery Packages for all Forward Commitment products must be submitted in accordance with the Final Delivery Instructions – Cash and Bonds.

32.6 Reserved

32.7 Reserved

32.8 Reserved

32.9 Reserved

32.10 Reserved

32.11 Preparing for purchase

a. File identification prior to funding (05/01/14)

When a Seller delivers a Mortgage to Freddie Mac for purchase, the Seller must note on the Loan Documents and accounting records retained in the Seller's file that Freddie Mac may purchase the Mortgage. Because Freddie Mac may reject a Mortgage before purchase, the Seller must not transfer the Mortgage to a Freddie Mac portfolio designation until Freddie Mac has purchased the Mortgage.

b. Updated verification of the UPB (09/01/16)

When Freddie Mac advises the Seller that it will purchase the Mortgage, the Seller must confirm the current UPB via email to *Multifamily Purchase*.

c. Purchase price (05/01/14)

Freddie Mac determines its purchase price for a Mortgage based on the UPB set forth in the Seller's email verification of the UPB plus the purchase interest (the interest due from the first day of the month in which Freddie Mac will purchase the Mortgage until the day prior to the settlement date minus the Servicing Spread) plus or minus any applicable discount or premium.

32.12 Wire transfer instructions (04/30/19)

Before instructing Freddie Mac to make a wire transfer to an account, a Seller must ensure that the account is eligible to receive direct wire transfers. The Seller must submit to Freddie Mac *Multifamily Cash Management* the documentation required by Section 32.12(a) and 32.12(b). Settlements cannot be made if such documentation is not on file with Freddie Mac and in compliance with Sections 32.12(a) and 32.12(b).

a. Authorization documentation (04/30/19)

<p>The Seller must identify the individuals authorized to provide wire transfer instructions to Freddie Mac on behalf of the Seller (the "authorized individuals") by submitting the applicable "authorization documentation" (below) to Freddie Mac <i>Multifamily Customer Compliance Management</i>.</p>		
Authorization Documentation		
For a corporation submit a completed:	For a sole proprietorship or a partnership submit a completed:	For a limited liability corporation submit a completed:
Certificate of Corporate Secretary (Freddie Mac Form 989M) with Board resolution attached to Form 989M as Exhibit A	Certificate of Authorized Representative (Freddie Mac Form 988M) with resolutions from the governing body that is empowered to legally bind	Certificate of Limited Liability Company Secretary/Authorized Representative (Freddie Mac Form 990M) with resolutions from the

	the Seller attached to Form 988M as Exhibit A, if applicable.	managers/members who are empowered to legally bind the Seller attached to Form 990M as Exhibit A
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Freddie Mac will not accept wire transfer instructions or modifications to the authorization documentation executed by anyone other than an authorized individual.

Once Freddie Mac has received the executed authorization documentation, Freddie Mac will contact one or more of the individuals authorized to provide wire transfer instructions to Freddie Mac to confirm the accuracy of the wire instructions provided to Freddie Mac via the Form 483 or company letterhead, as applicable.

Freddie Mac will retain the authorization documentation on file. The Seller may contact Multifamily Customer Compliance Management to view the authorization documentation on file.

Freddie Mac requests that the Seller recertify its authorization documentation annually on the Multifamily Annual Certification Report (Form 16M, Annual Eligibility Certification Report or Form 17M, Multifamily Annual Certification Report Structured Transaction & Tax-Exempt Bond Seller/Service, as applicable) confirming that the authorization documentation on file with Freddie Mac remains in full force and effect and that there are no changes to the individuals authorized to provide wire transfer instructions to Freddie Mac.

The Seller may not wait for a recertification request to notify Freddie Mac of any changes in its authorized individuals or wiring instructions. The Seller must notify Freddie Mac of any changes in its authorized individuals or wiring instructions within five Business Days of the change taking place. Freddie Mac *Multifamily Cash Management* will periodically contact the authorized individuals to verify the wire instructions on file. *Multifamily Cash Management* will send such validation requests via secure email.

Settlements cannot be made if Freddie Mac does not have on file a current certification or authorization documentation. The Seller can change, delete or add new authorized individuals only by submitting new authorization documentation. Freddie Mac requires five Business Days to process any such changes.

b. Multifamily Wire Transfer Authorization (04/30/19)

The Seller must submit to Freddie Mac *Multifamily Cash Management* the following forms:

- A completed Form 483M, Wire Transfer Authorization, executed by an authorized individual, as defined in Section 32.12(a), to represent the Seller's legal authorization to allow Freddie Mac to wire transfer funds to a designated bank
- A completed, current version of the IRS Form W-8 or W-9, as applicable, to ensure compliance with the Foreign Account Tax Compliance Act

The Seller can change or add new wire transfer instructions only by submitting a newly executed and properly authorized Form 483M and a Form W-8 or W-9, which does not need

to be newly executed as long as it is the latest version of the W-8 or W-9 available from the IRS. Freddie Mac will not accept wire transfer instructions submitted in any other manner. Freddie Mac requires at least five Business Days to process such a change.

See Section 33.4 for information regarding wire transfer instructions for the purchase by Freddie Mac of Mortgages subject to the security interest of a warehouse lender.

32.13 Purchase/settlement procedures

a. Multifamily Loan Purchase Statement (09/01/16)

After reviewing the Final Delivery Package, and prior to the purchase funds being sent, Freddie Mac will generate and send via email to the Seller the Multifamily Loan Purchase Statement, which includes a computation of the amount to be funded to the Seller as well as a statement of the percentage of participation purchased by Freddie Mac.

b. Receipt of funds (05/01/14)

Freddie Mac will advise the Seller of the scheduled Freddie Mac Funding Date. Freddie Mac initiates each wire transfer in sufficient time for the funds to be credited to the Seller's account on the scheduled Freddie Mac Funding Date. It is the Seller's responsibility to call its bank to confirm receipt of the funds. If the funds have not been credited to the account by the morning of the next Business Day, the Seller must contact the applicable *Multifamily Purchase Manager*.

32.14 Purchase adjustments (01/13/09)

If the Seller has any questions regarding the purchase balance before the funding of a Mortgage or purchase adjustments after the funding of a Mortgage, the Seller must contact the applicable *Multifamily Purchase Manager*.

32.15 SBL collateral (09/01/16)

For SBL Mortgages, the Seller must deliver the collateral required under Chapter 46SBL in accordance with all requirements set forth in that chapter.