

# Multifamily Seller/Service Guide

## Chapter 34

### Retention of Mortgage File



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### **34.1 Contents of Mortgage File (05/01/14)**

The Servicer must create an individual file for each Mortgage purchased for Freddie Mac. The file must contain copies of the following:

1. All documents required to be delivered by the Seller under Chapter 32 and the applicable Final Delivery Table of Contents found on FreddieMac.com
2. All legal notices
3. Correspondence
4. Forms and reports concerning the Mortgage and the Property

The Servicer must also maintain adequate records of collection efforts and make the records available for Freddie Mac's inspection on request. At a minimum, the records must show:

1. Dates when letters and notices were mailed
2. Dates of personal contacts
3. Reasons for prior and current Delinquencies and other defaults
4. Results of conversations with the Borrower
5. Terms of any workout arrangements
6. Documentation of property inspections, as required in Chapter 40

### **34.2 Business Continuity Plan (03/01/14)**

The Servicer must have in place a Business Continuity Plan meeting the requirements of Section 2.20 which includes arrangements for maintaining the Freddie Mac Mortgage Files and records, whether paper files are maintained or the files are stored electronically or on other media.

### **34.3 Original documents (08/07/06)**

If the Servicer maintains any files containing the original Mortgage, Note or assignment of Mortgage, those files must be maintained in a fire-resistant storage area.

The Freddie Mac loan number assigned to the Mortgage (or any replacement number subsequently issued by Freddie Mac) and a cross-reference to any electronic file must be clearly identified on the top right-hand corner of the face of each paper document maintained by the Servicer.

### **34.4 Copies of Mortgage Files (08/07/06)**

For documents and records, including those specified in Section 34.1, the Servicer may maintain files that consist of reproductions of the original documents by any photographic, photostatic, microfilm, microfiche, electronic imaging, optical disk or laser disk storage process, provided that



1. The reproductions are allowed under applicable law to which the Servicer is subject and in the jurisdiction where the Property is located.
2. The Servicer makes the reproductions in the regular course of business pursuant to its written policies for retention of all of its Mortgage Files and its disaster recovery plan.
3. The Servicer makes the reproductions by a process that accurately reproduces or creates a durable medium for reproducing the originals.
4. The Servicer clearly marks the reproductions to indicate the Freddie Mac loan number assigned to the Mortgage and cross-references the reproductions to the paper Mortgage File.
5. The Servicer keeps reproductions in the same office where the Mortgage Files are maintained.
6. The Servicer maintains, on the premises where the reproductions are kept, equipment necessary to view or read the reproductions and to convert them into legible paper copies.
7. The Servicer maintains the reproductions in a manner that permits ready transfer to legible paper copies of material relating to the Mortgages serviced for Freddie Mac.

If the Servicer elects to maintain copies in any media other than paper, the Servicer must produce a paper copy of any documents or loan files at Freddie Mac's prior written request.

If Freddie Mac requests the transfer of any documents, the Servicer must transfer those documents as paper copies unless otherwise agreed to by Freddie Mac.

### **34.5 Maintenance (11/30/12)**

Regardless of the form in which the Servicer keeps Mortgage Files and records, the Servicer must have control and identification features in place to

1. Permit ready identification of the Freddie Mac loan number assigned to each Mortgage serviced for Freddie Mac and Freddie Mac's percentage of participation in each such Mortgage
2. Prevent the pledge or sale to a third party of any Mortgage in which Freddie Mac has a percentage of participation
3. Permit prompt retrieval and, if applicable, delivery to Freddie Mac of a file or individual components of a file by Freddie Mac loan number
4. Permit prompt preparation and delivery to Freddie Mac of scheduled and unscheduled reports that Freddie Mac may require, by Freddie Mac loan number and/or percentage of participation

The Servicer must maintain the entire Mortgage File

1. During the time Freddie Mac owns the Mortgage
2. For a minimum of three years from the date the Mortgage is fully paid



3. For a minimum of 10 years from the resolution date if the Mortgage was accelerated and the Property was either acquired by Freddie Mac or sold at a third-party auction (Even after the expiration of the 10-year period, the Servicer may not destroy these files without written approval from Freddie Mac.)
4. For a minimum of three years (or the duration required under the Equal Credit Opportunity Act or any other applicable law or regulation) if a Mortgage application received by Freddie Mac is declined or remains incomplete.
5. For any additional time period required under any applicable law or regulation

#### **34.6 Damage or loss (10/07/02)**

The Servicer must bear the entire cost of restoring Mortgage Files and related documents and records damaged or lost for any reason.

#### **34.7 Ownership of Mortgage File and related records (10/07/02)**

All documents in the Mortgage File and all other documents and records of whatever kind or description (whether prepared or maintained or held by the Servicer, or others acting for and on behalf of the Servicer) that are reasonably required to service a Mortgage for Freddie Mac will be, and will remain at all times, the property of Freddie Mac. The Servicer retains all of these records in its possession in a custodial capacity only.

#### **34.8 Transfer of file custody (04/30/13)**

Freddie Mac may at any time require the Servicer to deliver to Freddie Mac or a transferee designated by Freddie Mac

- Any original Note, Loan Agreement, Security Instrument, assignment and modifying instrument still in the Servicer's custody
- As paper copies, unless otherwise agreed to by Freddie Mac, any Mortgage File, document within a Mortgage File, or other related documents and records in the Servicer's or its custodian's custody

#### **34.9 Access to Mortgage records (12/05/03)**

Freddie Mac may request, in writing or orally, access to Mortgage records in the Servicer's possession. In compliance with Freddie Mac's request, the Servicer must:

- Disclose the Mortgage records to Freddie Mac
- Permit Freddie Mac to have access to the Mortgage records for examination (see Section 34.4)
- Deliver the Mortgage records to Freddie Mac as paper documents unless otherwise agreed to by Freddie Mac



Freddie Mac may also request, in writing or orally, any of the above actions with respect to any and all other records, documents, files, information and data maintained or held by the Servicer that Freddie Mac considers necessary to

- Determine or assess the correctness and completeness of the Mortgage records for any Mortgage serviced by the Servicer for Freddie Mac, or
- Assure that the Servicer is complying with the requirements of the Purchase and Servicing Documents

The Servicer must have a written agreement with each of the following, ensuring compliance with Freddie Mac's requests for Mortgage records or other information

- The Servicer's Servicing Agents
- The Servicer's service bureau
- Any other person or entity that processes, maintains or stores any Mortgage records for the Servicer