

Multifamily Seller/Servicer Guide

Chapter 48

Termination of Servicing

48.1 Termination of Servicing (12/05/03)

Freddie Mac may terminate Servicing by a Servicer with or without cause under the provisions of Chapter 4.

48.2 Transfers and Servicing Compensation (12/05/03)

If Freddie Mac terminates a Servicer and transfers the Servicing of any Mortgage, pursuant to the terms and conditions of the Purchase and Servicing Documents, the Servicing compensation (as stated in Sections 38.2 and 38.3) is paid to the new Servicer. If Freddie Mac has terminated the original Servicer with cause, or if the Servicer has not transferred the Servicing within the required period following notice of termination of Servicing without cause, Freddie Mac is entitled to any amount that may be paid by the new Servicer for the right to the Servicing compensation.

48.3 Documents and records (12/05/03)

Upon termination of the Servicing of any Mortgage, the Servicer is responsible for supplying all reports, documents and information requested by Freddie Mac on the date specified by Freddie Mac. The material, including an accounting of the current status of each Mortgage for which Servicing is being terminated, must be prepared in the form requested by Freddie Mac and delivered to the new Servicer designated or approved by Freddie Mac.

48.4 Remittance to Freddie Mac (10/31/12)

In addition to Freddie Mac's regular remittance requirements, the Servicer, in conjunction with the depository institution holding the P&I Custodial Accounts, must remit to Freddie Mac, on the date specified by Freddie Mac, the mortgage collections for each Mortgage for which Servicing is terminated. Additionally, on the date specified by Freddie Mac, the Servicer, in conjunction with the depository institution holding Reserve Custodial Accounts, must transfer as directed by Freddie Mac all Reserve Custodial Accounts and prepaid installments held by the Servicer for each Mortgage for which Servicing is being terminated. All subsequent funds and disbursement requests received by the Servicer related to the Freddie Mac portfolio must be transferred according to Freddie Mac's direction.

The Servicer must use its best efforts to effect the orderly and efficient transfer of Servicing to the new Servicer.

48.5 Reimbursement (10/07/02)

If Servicing is terminated, the Servicer must reimburse Freddie Mac for any loss, damage or expense incident to the transfer of Servicing. Such expenses include, but are not limited to, court costs, reasonable attorney fees, copying costs, costs of the physical transfer of files and the cost of an audit

or examination of the Servicer's records, if Freddie Mac determines that such a procedure is appropriate.