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New PRS Compliance LIT: WL/Assessment Inquiry

To provide more transparency and a coherent communication channel to support all inquiries regarding the risk profile of the Freddie Mac Master Servicer portfolio, we created a new Property Reporting System (PRS) Compliance Loan Item Tracking (LIT): WL/Assessment Inquiry.

The WL/Assessment Inquiry LIT focuses on high-risk issues including:

- Upcoming maturity
- Deteriorating property condition
- Significant unplanned capital expenditures
- Forced-place insurance
- Monetary risk
- Low occupancy
- Low debt service coverage ratio

Prior to the new LIT, these issues were not fully addressed by the respective watchlist or assessment commentary.

WL/Assessment Inquiry LIT Process

The WL/Assessment Inquiry LIT will contain a specific request and have a revisit date of five business days from the date added. The respective servicer is expected to provide the requested information and upload supporting documentation as appropriate by the end of the revisit date. We understand there are times when the borrower may not be responsive. In those cases, note this in your response and provide as much available information by the revisit date. Continue to reach out to the borrower until the inquiry is addressed. The LIT will remain open until then.

When a WL/Assessment Inquiry LIT is added in PRS, the Freddie Mac Surveillance team will send an email from [their inbox](#) to the designated contact at each servicer organization. This will occur over the next three months in a phased approach to assist with implementing the new LIT. See the schedule below.

- February: Three (3) times per week
- March: Two (2) times per week
- April: One (1) time per week

Best Practices

Servicers should review their PRS Compliance Due queue on a regular basis to address any open LITs by their respective due dates.

- Check the new dashboard in PRS for a quick view of newly added, upcoming and late LITs for easy reference.

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- LITs created for Reservation of Rights (RoR) letters are given a due date of the respective loan's maturity date. Please provide a status update or request the LIT be closed out if the respective RoR default has been resolved.

If you have any questions or concerns, please [contact me](#).

Thank you for your continued cooperation.