

Bulletin

NUMBER: M2013-5

TO: Freddie Mac Multifamily Sellers and Servicers

August 30, 2013

SUBJECTS

With this Bulletin for the Multifamily Seller/Servicer Guide, we are:

- Announcing that effective immediately, the Multifamily Seller/Servicer Guide (Seller/Servicer Guide) will govern the Servicing of all TAH Mortgages originated under the Delegated Underwriting Model
- Clarifying that, apart from the Servicing provisions, the Delegated Underwriting for Targeted Affordable Housing Guide (TAH Guide) remains in full force and effect and will continue to apply to all Mortgages purchased pursuant to Commitments executed prior to May 1, 2011 under the Delegated Underwriting Model
- Added requirements for the submission to Freddie Mac of the Initial and Final Delivery Packages for Forward Commitments

We are revising both the Seller/Servicer Guide and the TAH Guide in support of these changes.

Effective dates

All of the changes announced by this Bulletin are effective immediately.

Conclusion

More details on these changes are provided on the pages that follow. For complete details see the applicable chapters and sections of the Seller/Servicer Guide and the TAH Guide on AllRegs. All Seller/Servicer and TAH Guide text for the changes described in this Bulletin is highlighted in green.

If you have any questions about the content of this Bulletin, please call your Freddie Mac representative.

Sincerely,

David Brickman
Senior Vice President
Multifamily

Servicing Requirements for Delegated TAH Mortgages

Currently, Servicers are required to service Mortgages originated under the Delegated Underwriting Model (“Delegated TAH Mortgages”) according to the provisions of the Seller/Servicer Guide, as amended and supplemented by the TAH Guide. At this time, we are requiring Servicers of Delegated TAH Mortgages to comply only with the provisions of the Seller/Servicer Guide. The Servicing provisions of the TAH Guide are no longer applicable and will no longer be updated or maintained.

In making this change, it is not our intent to modify a Servicer’s obligations or requirements with respect to Delegated TAH Mortgages. Rather, our goal is to make it easier to access our requirements by eliminating any confusing back-and-forth references between the Seller/Servicer Guide and the TAH Guide and to emphasize that Freddie Mac’s single Servicing standard applies to all Mortgages, including Delegated TAH Mortgages.

Revisions to the Seller/Servicer Guide

In support of this change, we have revised the Seller/Servicer Guide to include any Servicing requirements unique to the Servicing of Delegated TAH Mortgages. These changes include the addition of:

- Freddie Mac contact information for Delegated TAH Mortgages
- Provisions applicable to letters of credit as security for a Seller/Servicer’s Reimbursement Obligations
- References to a Seller/Servicer’s Delegated TAH Master Agreement
- Remedies applicable to Delegated TAH Mortgages in the event that Freddie Mac requires repurchase or indemnification
- Loss-sharing provisions for Delegated TAH Mortgages

The most extensive revisions were made to Chapter 47: Repurchase; Indemnification. We recommend that Seller/Servicers of Delegated TAH Mortgages review Sections 47.1, 47.2, and 47.11 to become familiar with the location of these requirements, which were previously found in the TAH Guide.

We have also taken this opportunity to update Chapter 32 of the Seller/Servicer Guide to clarify the initial and final delivery requirements for Forward Commitments. See Sections 32.1(a), (b), and (c) for these changes.

Revisions to the TAH Guide

The TAH Guide remains in full force and effect and applies to all Mortgages purchased pursuant to Commitments executed prior to May 1, 2011 under the Delegated Underwriting Model, including the representations and warranties applicable to origination and underwriting.

To support the Servicing changes, we have revised the TAH Guide to state that Servicers of Delegated TAH Mortgages must comply with the Servicing provisions found in the Seller/Servicer Guide, and are deemed to have made the Servicing representations and warranties found in Chapter 5 of the Seller/Servicer Guide.