

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

[Guidelines](#)

[Bolt Training](#)

[Wholesale Website](#)

[Previous Bulletins](#)

20W-051

Attention: AEs, Business Development Managers & Mortgage Brokers

April 16, 2020

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: Freddie Mac – Updated Guidance Related to COVID-19

Freddie Mac has updated the following guidance related to COVID-19.

Condominium Project Reviews

These temporary flexibilities are effective immediately for all Mortgages in process, and remain in place for Mortgages with application received dates on or before May 17, 2020.

Exempt from Review: LTV/TLTV/HTLTV ratios

Freddie Mac is temporarily extending Exempt from Review eligibility for maximum LTV/TLTV/HTLTV ratios from 80% to a maximum ratio of 90% for Freddie Mac owned “no cash out” refinance Condominium Unit Mortgages secured by Primary Residences only. When using this new flexibility, you must ensure that the Condominium Project meets the Exempt from Review requirements in Section 5701.7 (Freddie Mac Selling Guide) and the project in litigation requirements in Section 5701.3(i) (now applicable to higher LTV ratios). Second Homes and Investment Properties are ineligible.

Project Documents used in Condominium Project Reviews

When an Established Condominium Project review is required, Freddie Mac will accept the budget from the 2019 fiscal year when the current year’s budget has not yet been ratified due to issues related to COVID-19. This flexibility may not be used for New Condominium Project reviews. All other applicable requirements must be met, including requirements relating to delinquent Homeowners Association assessments.

Other sources of Condominium Project data may be used to complete project reviews including, but not limited to, appraisal, MLS records, plat map/site surveys, public records, State laws or local ordinances, and tax searches. Additionally, there are various vendor products available that provide Project Documents and/or information regarding Condominium Project eligibility.

Some information and/or documents, such as the Condominium Project’s current budget, may be available only from the Homeowners Association or property manager. If a project review for an Established Condominium Project has been completed during the one-year period prior to the Note

Date of the particular Mortgage, that project review may be used for multiple Condominium Unit Mortgages in the same Condominium Project for up to one year prior to the Note Date of the particular Mortgages. For New Condominium Projects, the time frame is 180 days prior to the Note Date.

Note that:

- For all Mortgages with LTV ratios greater than 80%, mortgage insurance is required.
- Freddie Mac Selling guide will not be updated.

Appraisal Flexibilities

Map Reference Field for Desktop and Exterior-Only Appraisals

The map reference field on the appraisal report may only contain the word “desktop” or “exterior”. No other words or phrases may be used or included. The map reference field should reflect the appraisal type agreed to with the acceptance of the assignment and the minimum scope of work required for the assignment. The appraiser is responsible for determining what is the adequate scope of work for any assignment and may choose to expand the scope of work beyond the minimum requirements.

Virtual Inspections for Appraisals

Appraisers may use virtual inspection methods to augment the date and imagery that is used for either a desktop appraisal or an exterior only inspection appraisal. All interior and exterior inspection appraisals require the appraiser to perform a complete onsite interior and exterior inspection of the property. A virtual inspection is not a substitute for an on-site interior and exterior inspection.

Property Valuations – Appraisal Flexibilities for New Construction Properties (purchase transactions)

Freddie Mac is clarifying that the “permissible appraisal requirements” eligibility chart described in Freddie Mac Bulletin 2020-5 applies to the appraisal flexibilities for new construction properties, including the requirement that second homes with LTV ratios above 85% require an interior and exterior inspection appraisal.

Loan Product Advisor – Update to Identify Freddie Mac-owned Mortgages

Loan Product Advisor will be enhanced at a future date to assist with identifying if a mortgage being refinanced is owned by Freddie Mac. This enhancement supports our COVID-19 related appraisal flexibilities for Freddie Mac owned no cash out refinance Mortgages announced in Freddie Mac Bulletin 2020-5. If a match is found based on property address and the Social Security number of one or more Borrowers on an existing loan, then information feedback messages will be returned on both submissions and resubmissions indicating the Mortgage is Freddie Mac owned.

Loan Product Advisor feedback messages will be updated to reflect these changes.

If you have any questions, contact your local Account Executive, or Production Coordinator.

Author: Underwriting