

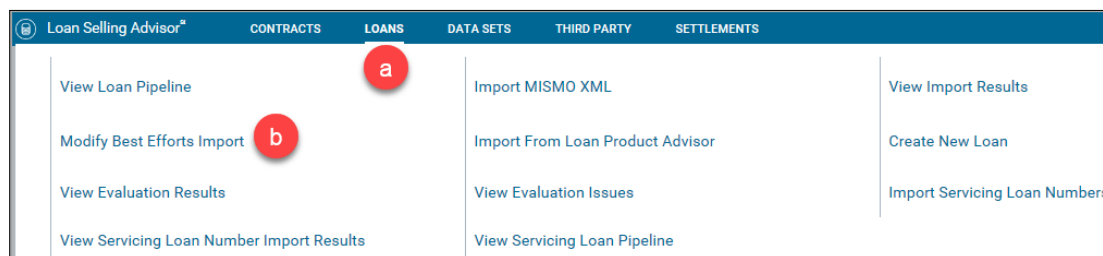
This job aid provides information on the following topics related to Best Efforts execution of a contract:

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## Modify Best Effort Import

Loan Selling Advisor® permits Sellers to import loan modifications for pre-existing Best Efforts loans that are in an Accepted status. Modifying loan data may impact Best Efforts prices; therefore, when modifying Best Efforts loans, Sellers are required to accept or reject price changes. When accepting a price change, the modifications are saved, and when rejecting a price change, the modifications are not saved. Best Efforts loans can be modified in Loan Selling Advisor either by using the Modify Best Efforts Import function or by manual entry. Use the following steps in Loan Selling Advisor to import a Best Efforts modification:

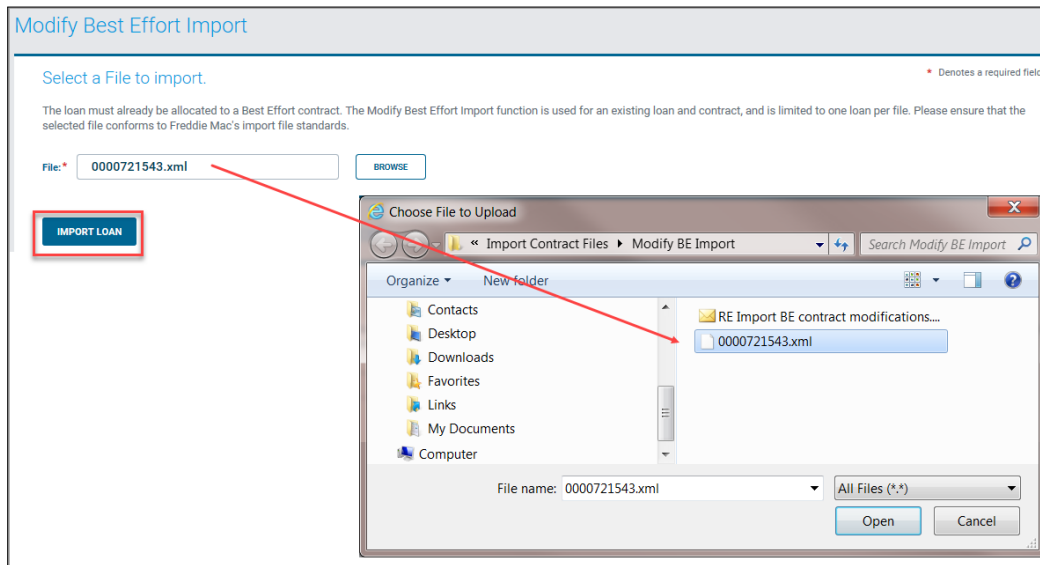
1. From the main menu, click (a) **LOANS**, and then click (b) **Modify Best Efforts Import**.



2. The **Modify Best Effort Import** screen displays. Then perform the following steps:
  - a) Click **BROWSE**.
  - b) Choose a file in the MISMO XML format to upload.
  - c) Click **IMPORT LOAN**.

**Note:** You may import only one loan per file.

# Best Practices for Best Efforts Contracts



3. Click **REPRICE CONTRACT**, after which you will have 60 seconds to accept the contract.

# Best Practices for Best Efforts Contracts

4. The 60-second **Contract Price** screen displays, where you accept or reject the contract.  
**Note:** Loan Selling Advisor only saves the import modifications if you accept the price.

### Contract Price

You have 60 seconds to accept this Contract Price.

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#### Contract Price

Price information displayed here is not final. Final price adjustments for each mortgage will be determined at settlement and reflected on your settlement statement.

CONTRACT PRODUCT:	30-Year Fixed Rate Conventional
CONTRACT AMOUNT:	\$152,601.00
EXPIRATION DATE:	06/17/2019
LOAN REFERENCE PRODUCT LABEL:	30-Year Fixed Rate Conventional
INTEREST RATE RANGE:	4.500%
CONTRACT PRICE:	99.343
LOAN NET PRICE:	98.843

Time Remaining: 44 Seconds

5. The 15-second **Contract Price** screen displays. Choose whether you agree or do not agree to the terms.

### Contract Price

Price information displayed here is not final. Final price adjustments for each mortgage will be determined at settlement and reflected on your settlement statement.

CONTRACT PRODUCT:	30-Year Fixed Rate Conventional
CONTRACT AMOUNT:	\$152,601.00
EXPIRATION DATE:	06/17/2019
LOAN REFERENCE PRODUCT LABEL:	30-Year Fixed Rate Conventional
INTEREST RATE RANGE:	4.500%
CONTRACT PRICE:	99.343
LOAN NET PRICE:	98.843

Time Remaining: 11 Seconds

# Best Practices for Best Efforts Contracts

6. If you agree to the terms, the **Cash Contract Details** screen displays with a summary of the contract terms.

### Cash Contract Details

#### Summary of Contract Terms

CONTRACT NAME:	SampleContract	REMAINING BALANCE:	\$0.00
INVESTOR CONTRACT IDENTIFIER:	██████████	CONTRACT AMOUNT:	\$152,601
CONTRACT OPTION:	Best Efforts	CONTRACT STATUS:	Accepted
CONTRACT PRODUCT:	30-Year Fixed Rate Conventional	ACCEPTED DATE:	06/06/2019 14:44:36
LTV RATIO PERCENT RANGE:	0% - <=105%	EXPIRATION DATE:	06/17/2019
MASTER COMMITMENT:	██████████	MC TYPE:	Flow
LOAN AMORTIZATION PERIOD COUNT:	239 to 362 months	SERVICING OPTION:	Retained
INTEREST RATE PERCENT RANGE:	4.500% to 4.500%	DESIGNATED SERVICER #:	██████████
LOAN MATURITY PERIOD COUNT:	241 to 360 months	SERVICING FEE RATE:	0.250%
		REMITTANCE OPTION:	Standard

#### Contract Options

- [Modify Best Efforts Contract](#)
- [Change Contract Name](#)
- [Extend or Rollover](#)
- [View/Print Contract Confirmation](#)
- [View Change History](#)
- [Refresh Contract Details](#)
- [R&W\\* Relief Summary Info](#)

#### Loan Options

- [Enter Settlement Details](#)
- [Evaluate Loan\(s\)](#)
- [Modify Best Effort Import](#)
- [Build Form 1034](#)

Click to import modified loan data. This link is also available from the Contract Menu

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#### Loan Details

Go to [Loan Pipeline](#) to view additional columns for these loans

SELLER LOAN IDENTIFIER	PRIMARY BORROWER LAST NAME	INTEREST RATE	LOAN REFERENCE PRODUCT LABEL	LOAN STATUS	WIRE INSTRUCTIONS ATTACHED DATE	UNPAID PRINCIPAL BALANCE	WHL	SERVICER	NET PRICE	TOTAL FEES
██████████	██████████	4.5%	30-Year Fixed Rate Conventional	New	06/06/2019 11:29:48	\$152,600.94	No	██████████	98.843	\$763.00

1-1 of 1 Loans Loans Per Page:

7. If the import file has errors, the **Import Loan: Results** screen displays. Locate the loan file you imported and check its status.
- If the **Status** is **In Progress**, click the **REFRESH IMPORT STATUS** button until the status changes to **Completed**.
  - If the **Status** is **Error**, click the link in the **IMPORT ERRORS** column to view the error(s). Then make the necessary corrections (which may require modifying the import file) and re-import the file using steps [1 & 2](#).

### Import Loan: Results

View errors by clicking on the numbers in the errors columns. Click on the Refresh Import Status button to update the Status.

Large import files may take some time to process. While the import is in the process, other tasks in the system can be performed.

FILE NAME	USER ID	DATE/TIME	TOTAL LOANS	TOTAL CURRENT UPB †	PROCESSED	IMPORT ERRORS	ALLOCATION ERRORS	EVALUATION ERRORS	R&W RELIEF NOT ELIGIBLE	LOAN REFERENCE PRODUCT LABEL WARNING	STATUS
██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	CO		██████████
██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████			██████████
██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████			██████████

†The Total Current UPB of all loans imported into the Loan Selling Advisor may change before settlement if UPB errors, omissions and discrepancies are discovered and corrected. This screen will not be updated to reflect the corrected Total Current UPB.

[Back to Import](#)

[Back to Modify Best Effort Import](#)

## Best Practices for Best Efforts Contracts

### Quick Loan Data

You can create a Best Efforts Loan (also known as the *Quick Loan* feature) and simultaneously price a contract without having to enter or import the entire ULDD loan delivery dataset. However, when you create a loan in this manner, any subsequent data modifications, including adding missing data, will require the contract to be re-priced in order to save the data modifications. The table that follows contains a list of data fields required to save a loan and to price a Best Efforts loan/contract using the Quick Loan feature.

<b>ULDD Create Loan for Best Efforts Loan (Quick Loan) Data Fields</b>		
<b>Section/Container Name</b>	<b>Data Point Name</b>	<b>Sort ID</b>
N/A	Seller Loan Identifier	402
Subject Property Address	Street Address	10
Subject Property Address	City Name	14
Subject Property Address	State Code	18
Subject Property Address	Postal Code	16
Property Details	Property Estate Type	63
Property Details	Property Usage Type	69
Property Details	Financed Unit Count	57
Property Details	Project Legal Structure Type	47
Property Details	PUD Indicator (True/False)	49
Appraisal/Property Valuation Details	Property Valuation Amount	83
Construction Details	Construction Method Type	51
Borrower Information	Borrower Classification Type	571
Borrower Information	Borrower First Name	540
Borrower Information	Borrower Last Name	541
Borrower Information	Non-Individual Borrower Name	544
Borrower Information	Taxpayer Identifier Type	613
Borrower Information	Taxpayer Identifier Value	614
Loan Details	Loan Purpose Type	315
Loan Details	Purchase Price Amount (This is not a minimally required field but is required when the loan is a Purchase transaction.)	195
Product Details	Mortgage Type	317
Product Details	Interest Calculation Type (Select Simple.)	215
Product Details	Balloon Indicator (Select True or False.)	226
Product Details	Payment Frequency Type	270
Product Details	Loan Amortization Type	138

<b>ULDD Create Loan for Best Efforts Loan (Quick Loan) Data Fields</b>		
<b>Section/Container Name</b>	<b>Data Point Name</b>	<b>Sort ID</b>
Product Details	Interest Calculation Period Type	214
Note Details	Note Rate Percent	321
Note Details	Note Amount	319
Note Details	Scheduled First Payment Date	272
Note Details	Loan Maturity Date	256
Conversion Option Details	Convertible Indicator* (True/False)	232
Assumability Details	Assumability Indicator* (True/False)	225
Origination Details	Escrow Indicator (True/False)	234
Interest Only Indicator	Interest Only Indicator* (True/False)	237
<b>Additional Loan Fields That Affect Pricing</b>		
Loan Details	Refinance Cash Out Determination Type	294
Loan Level Credit Details	Loan Level Credit Score Value	251
Loan Level Credit Details	Loan Level Credit Score Selection Method Type	249
Loan Level Credit Details	Credit Score Impairment Type	247
Underwriting Details	Automated Underwriting System Type	326
Underwriting Details	Automated Underwriting Case Identifier	322
Payment Details	Loan Acquisition Scheduled UPB Amount	385

\* These Indicators default to False in the Create Loan for Best Efforts Contract screen.

### Best Practices

If a Seller creates and saves a loan in Loan Selling Advisor (not utilizing the Quick Loan feature), they must do the following before the loan can be allocated to a Best Efforts Contract:

- Modify the loan and enter the Interest Calculation Period Type and re-save the loan.  
**Note:** Any loan that is missing the Interest Calculation Period Type cannot be allocated to a Best Efforts Contract. If you attempt to search for such loans to allocate them to a Best Efforts Contract, they do not appear in the search results.
- Ensure that a valid Note Date has been entered in Loan Selling Advisor prior to finalizing the loan for delivery. For Best Efforts Contracts, Loan Selling Advisor requires that you enter the Note Date no later than the close of business on the business day following the day on which you funded the mortgage. You must also comply with the requirements of the *Freddie Mac Single-Family Seller/Servicer Guide*, (also known simply as the *Seller/Servicer Guide*) including but not limited to Section 6302.5.
- If you are using Freddie Mac's Designated Custodian, deliver all Notes to The Bank of New York Mellon (BNYM) one business day prior to the contract expiration date or expected funding date, whichever occurs first. When Notes are certified on the contract expiration date after the last funding of the day, delays in

## Best Practices for Best Efforts Contracts

funding occur, which can lead to operational overrides and additional fees. For more information, contact your Loan Selling Advisor representative or Customer Support (800-FREDDIE), and refer to [Delivery Standards for Cash](#).

- Always verify the accuracy of the Initial Principal & Interest Payment to ensure the loan is not being under- or over-amortized (for example, 359 or 361 months instead of 360 months for a 30-year loan). If a loan is under- or over-amortized, the loan does not advance to settlement, and an operational override and delay in funding occur, which can potentially lead to an expired contract. For more information, contact your Loan Selling Advisor representative or Customer Support (800-FREDDIE).
- Make sure that the Loan Acquisition Scheduled UPB Amount (Sort ID 385) and the Last Paid Installment Due Date (Sort ID 440 and is also known as the *Due Date Last Paid Installment* (DDLPI)) fields are correct. When selling mortgages to Freddie Mac, you must accurately provide the DDLPI that had been collected for the mortgage for the month of settlement.
- For more information, refer to the *Seller/Servicer Guide*, Sections 6302.2, 6302.3, and 6302.4.
- Subject to approval and conditions set by Freddie Mac, the Servicing options for Best Efforts Contracts are listed in the following table:

<b>Servicing Option Name</b>	<b>Definition</b>
Servicing Retained	The Seller sells the mortgage to Freddie Mac and retains the Servicing.
Concurrent Transfer of Servicing	The Seller sells the mortgage to Freddie Mac and concurrently transfers the servicing to a Servicer chosen by the Seller. The Servicer selected by the Seller must be a Freddie Mac-approved Servicer eligible to service the mortgage, and Freddie Mac must approve the Transfer of Servicing in accordance with Chapter 7101.
Cash-Released XChange <sup>SM</sup>	The Seller sells the mortgage Servicing Released, in accordance with the requirements of Section 6101.7.

For more information, refer to Guide Section 6101.6.

- Ensure the net price for each loan is final on the Freddie Mac Funding Date. To help you determine what the final net price will be, refer to *Exhibit 19 Calculator* and *Exhibit 19, Credit Fees in Price and/or Credits* below.

### Exhibit 19 Calculator

Use the Exhibit 19 Calculator (the calculator) to determine the net price of the loan prior to funding. The calculator was designed to provide an indication of credit fees in price and/or credits on loans sold to Freddie Mac. Note: the calculator is a tool and is not intended, or designed, to replace the calculation of actual credit fees in price/credits due on a loan as determined by the contract terms between Freddie Mac and the Seller of the loan at the time of purchase. This calculator is available for the exclusive use of approved Freddie Mac Sellers and Servicers. If you do not have a password to use the calculator, please contact Freddie Mac's Customer Contact Center and select Loan Selling Advisor or Loan Delivery Support (call 800-FREDDIE, select Option "3"). Access the Exhibit 19 Calculator at <https://sf.freddiemac.com/general/exhibit-19-calculator>.

### Exhibit 19, Credit Fees in Price and/or Credits

To validate the credit fees in price assessed and credits applied, if any, at funding, refer to the *Seller/Servicer Guide*, Exhibit 19. Note: Exhibit 19 displays the fee rate in basis points; you must deduct the amount of the credit fee in price rate in basis points from the contract price to determine the net price for the loan. Also note that

# Best Practices for Best Efforts Contracts

multiple credit fees in price may be assessed on a loan depending on the loan characteristics and borrower attributes. Access Exhibit 19 at [https://guide.freddie.mac.com/euf/assets/pdfs/Exhibit\\_19.pdf](https://guide.freddie.mac.com/euf/assets/pdfs/Exhibit_19.pdf).

## When to Modify Form 1034

The Modify Best Efforts Import functionality does not overwrite a certifiable data field after Form 1034 (Custodial Certification Schedule) is built. To modify a certifiable data field after Form 1034 is built, do the following:

1. Remove the loan from Form 1034.
2. Re-import the modified best efforts data.
3. Re-assess the loan.
4. Build Form 1034 for the specified loan once all errors are cleared.

## Contract Extensions

In the event the mortgage specified in a Best Efforts Contract will not close prior to the contract expiration date, the Seller may extend the Best Efforts Contract in Loan Selling Advisor, at any time prior to the contract expiration date.

The Seller may extend the contract an unlimited number of times as long as the total extension period does not exceed 30 days from the original contract expiration date. The seller will be assessed a fee for each contract extension.

In exchange for the contract extension, the Seller will be assessed a fee for the extension to be paid in accordance with Section 6303.2.

For more information, refer to Guide [Section 6101.4](#).

## Contract Relocks

In the event the mortgage specified in a Best Efforts Contract will not close prior to the contract expiration date, or if the Best Efforts Contract has a status of "unfulfilled" for less than or equal to 30 days, either because (i) the Mortgage failed to close prior to the contract expiration date, or (ii) the Mortgage was withdrawn, the Seller may relock in Loan Selling Advisor, the Best Efforts Contract. The Seller may relock the contract an unlimited number of times as long as the total extension period does not exceed 30 days, and the cumulative extension/relock period does not exceed 90 days. The contract will be re-priced at the lower of one of the following:

- Original accepted price minus the Best Efforts Contract relock fee, or
- Current market price minus the Best Efforts Contract relock fee.

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