

Annual Certification Report Updates



December 31, 2023 Update

Effective December 31, 2023, we will be adding a new ‘Compliance’ section to the **Annual Certification Report (ACR)** questionnaire form. Questions in this section will be mandatory for all Sellers, Servicers and Seller/Servicers. We will also be modifying one question in the Insurance section of the questionnaire, which is applicable to Servicers and Seller/Servicers.

In addition, we will be collecting contact information from all Sellers, Servicers and Seller/Servicers for ‘Major Beneficial Owner’ (individual with an ownership interest equal to or greater than 50%) in the Key Contact form in the **Annual Certification Report**. Updates to the Major Beneficial Owner can also be reported through the **Profile Change and Activity Report**.

An overview of the Annual Certification Report questionnaire form changes appears below. For additional details regarding the Annual Certification Report and the Profile Change and Activity Report, please visit [Online Help](#).

ACR Questionnaire Form Section	New/ Modified	Report Enhancement	Required or Conditional	Additional Information
Compliance	New	Does your company outsource any functions or services which support the selling or servicing of Freddie Mac Mortgages?	Required	If yes, please provide a list of all companies or contractors engaged in connection with such outsourced activities AND provide a description of the services or products provided by such companies or contractors (e.g. servicing platforms, call centers).
Compliance	New	Do you have processes, policies or procedures to oversee the performance and execution of outsourced services, including but not limited to, compliance with Guide requirements set forth in Section 1302?	Required	If yes, please describe all processes, policies and procedures which are designed to oversee the performance and execution of outsourced services.
Compliance	New	Do you review potential conflicts of interest before entering into contracts with vendors?	Required	If yes, please describe all processes, policies and procedures which are designed to monitor potential conflicts of interest.
Compliance	New	Do you have processes, policies or procedures to ensure compliance with Applicable Laws and	Required	If yes, please describe all processes, policies and procedures which are designed to ensure compliance with the

ACR Questionnaire Form Section	New/ Modified	Report Enhancement	Required or Conditional	Additional Information
		regulations (e.g., Consumer Protection, Fair Lending)?		Applicable Laws and regulations.
Compliance	New	Do you have a Compliance Management Program or Compliance Management System (i.e. training, complaint management, monitoring activities, compliance testing, management oversight, policies and procedures Etc.) to mitigate non-compliance with applicable laws, rules and regulations?	Required	If yes, please describe the Compliance Management Program or Compliance Management System.
Compliance	New	Do you perform background checks, e.g., exclusionary list, CFPB, consent orders, upon your vendors and their officers, directors and relationship managers?	Required	If yes, please describe what policies and procedures are in effect.
Compliance	New	Do you maintain a list of your current state and federal regulators, as well as a list of all agencies that have issued applicable licenses and charters necessary for the origination and/or servicing of Mortgages? (Freddie Mac may request this information.)	Required	
Compliance	New	Does (i) any member of Seller/ Servicer's Senior Management, or (ii) any person or entity who directly or indirectly has the power to control Seller/ Servicer's business with Freddie Mac, have any personal or professional affiliations, associations or relationships with any individuals working at Freddie Mac (including employees, contractors, consultants, contingent workers, etc.) that may adversely influence, affect or impact Seller/ Servicer's performance under its Purchase Documents?	Required	If yes, please provide the name(s) and position(s) of such persons, and a brief description of the relationship.
Insurance	Modified	Do you comply with all property insurance requirements in Guide Chapter 8202, including the flood insurance requirements in Guide Section 8202.3 and Lender-Placed Insurance requirements in Guide Section 8202.12 and specifically with	Required	Applies to Seller/ Servicers and Servicer only counterparties.

ACR Questionnaire Form Section	New/ Modified	Report Enhancement	Required or Conditional	Additional Information
		the requirement to provide Lender-Placed Insurance coverage without receiving compensation or using an affiliated entity?		

Other Enhancements

Form Section	New/ Modified	Report Enhancement	Additional Information
Key Contact	New	Major Beneficial Owner will be a new contact type to report the individual(s) with ownership equal to or greater than 50%.	

November 30, 2022 Update

Effective November 30, 2022, we will be modifying the **Annual Certification Report (ACR)** with new questions and modifications to existing questions, in some cases to align with the *Single-Family Seller/Service Guide (Guide)*. We will also be requiring that Housing Finance Agencies (HFAs) complete the audited financials and warehouse lending sections of the questionnaire form. Finally, we are streamlining the certification process by including the Letter of Agreement as an integrated step when reporting new fund custodian accounts.

Please note: Any new organization's counterparty application approved within 60 days of their FYE will not be required to complete an ACR. *Example: Organization approved November 1, 2022 with a FYE of December 31, 2022 will not be required to complete an ACR until the 2023 fiscal year reporting cycle.* If your organization completed a certification report in 2021, you will receive and complete the ACR for 2022.

Details of the changes appear below:

Form Section	New/ Modified	Report Enhancement	Required or Conditional	Additional Information
Insurance	Modified	Do you comply with all requirements of Guide Section 8202.12 including but not limited to, obtaining Lender-Placed Insurance coverage without receiving compensation or using an affiliated entity as provided by that Guide Section?	Required	Applies to Seller/Service and Service only (not applicable for counterparties with Seller only roles) as of 6/30/23.
Information Security, Privacy and Business Continuity	Modified	Does your institution maintain a detailed response program consistent with the requirements of the interagency guidance on response programs for unauthorized access to	Required	Applies to Seller/Service, Sellers, and Service as of 2/28/23.

Form Section	New/ Modified	Report Enhancement	Required or Conditional	Additional Information
		customer information and customer notice and in accordance with Guide Section 1301.2 (12 CFR Parts 208 and 225)?		Response of 'no' requires an explanation
Audited Financial Statements	New for Housing Finance Agencies	Institution types of Housing Finance Agencies will be required to attach and answer questions regarding their audited financial statements	Required	
Warehouse Lender	New for Housing Finance Agencies	Did you receive a notice of covenant waiver or a breach of a Warehouse Agreement from a Warehouse Lender?	Required	Response of 'yes' requires an explanation
Warehouse Lender	New for Housing Finance Agencies	Were any of your Warehouse Agreements terminated?	Required	Response of 'yes' requires an explanation
OFAC, Anti-Money Laundering Program and Fraud Prevention	Modified	Before you deliver a loan to Freddie Mac for purchase, do you screen the subject borrowers(s) against OFAC's most recent list of Specially Designated Nationals and Blocked Persons (SDN List)?	Required	Applies to Seller/Servicers and Seller only (not applicable for counterparties with Servicer only roles) Response of 'no' requires an explanation

Other Enhancements

Form Section	New/ Modified	Report Enhancement	Additional Information
Questionnaire	Modified	Insurance calculation servicing base has been updated to comply with the August Guide Bulletin	Refer to Guide Section 2101.6 on insurance requirements
Assigned Numbers	Modified	Interim servicing and voluntary partial cancellation Seller/Servicer numbers will no longer be displayed on the assigned numbers page	
Annual Report Certification	Modified	Updated the attestation to include Seller/Servicers acknowledgement concerning continuing lien and security interest and Servicing Contract Rights pursuant to Section 1101.2 of the Single-Family Seller/Servicer Guide	Refer to Guide Section 1101.2

November 30, 2021 Update

Effective November 30, 2021, we modified the **Annual Certification Report Questionnaire** to re-label the existing 'Information Security and Business Continuity' section of the questionnaire to 'Information Security, Privacy and Business Continuity'. We also added new questions to address information privacy and added/modified and removed questions in some of the other form sections. Details of the changes appear below:

Form Section	New/ Modified/ Removed	Question	Required or Conditional	Additional Information
Information Security, Privacy and Business Continuity	New	Does your institution maintain an information security program designed to meet the requirements of all applicable laws governing consumer protection, data privacy and/or the safeguarding of borrower personal information, including, without limitation, the Gramm-Leach-Bliley-Act (GLBA) and in accordance with Guide Section 1301.2(A)(6)?	Required	Response of 'no' requires an explanation
Information Security, Privacy and Business Continuity	New	Do you have policies and procedures in place to ensure that the information security program is adequately safeguarding customer information?	Required	Response of 'no' requires an explanation
Information Security, Privacy and Business Continuity	New	Has your institution implemented policies and procedures designed to meet the customer notice and opt-out requirements under GLBA?	Required	Response of 'no' requires an explanation
Information Security, Privacy and Business Continuity	New	Does your institution maintain a detailed response program consistent with the requirements of the interagency guidance on response programs for unauthorized access to customer information and customer notice and in accordance with Guide Section 1301.2 (12 CFR Parts 208 and 225)?	Required	Question will only appear if you are an approved Servicer. Response of 'no' requires an explanation
Information Security, Privacy and Business Continuity	New	Has your institution conducted a comprehensive privacy risk assessment or audit of the organization's ability to safeguard non-public personal information?	Required	Response of 'no' requires an explanation
Information Security, Privacy and Business Continuity	New	Has your institution conducted a comprehensive privacy risk assessment or audit of your third party vendors ability to safeguard non-public personal information in accordance with Guide Section 1302.2(b)v? (Third party vendors with access to PPI)	Required	Response of 'no' requires an explanation
Information Security, Privacy and Business Continuity	New	Does your institution operate outside of the United States?	Required	

Form Section	New/ Modified/ Removed	Question	Required or Conditional	Additional Information
Information Security, Privacy and Business Continuity	New	What functions or services are processed outside of the United States?	Conditional	If the answer to the question "Does your institution operate outside of the United States?" is yes, select one or a combination of activities from a list (options include: Servicing, Investor Reporting, Quality Control, Call Center or Other). If 'Other' is selected, enter the activities in a text box.
Originations	New	Do you deliver loans that have been originated by a broker or correspondent to Freddie Mac?	Required	
Originations	New	Do you have correspondent/broker approval and monitoring procedures and controls in place?	Conditional if the response to the question "Do you deliver loans that have been originated by a broker or correspondent to Freddie Mac?" is 'Yes'	If the response is no, an explanation is required.
Originations	New	What percentage of your business is: <ul style="list-style-type: none"> • Wholesale* • Mortgage Broker* • Correspondent* 	Conditional if the response to the question "Do you deliver loans that have been originated by a broker or correspondent to Freddie Mac?" is 'Yes'	Indicate the % of business applicable to each *Definitions https://guide.freddiemac.com/app/guide/glossary
Originations	New	Do you allow correspondents/brokers to use brokers to originate the application?	Conditional if the response to the question "Do you deliver loans that have been originated by a broker or correspondent to Freddie Mac?" is 'Yes'	
Originations	New	Does your quality control program also include correspondent/broker production?	Conditional if the response to the question "Do you deliver loans that have been originated by a broker or correspondent to Freddie Mac?" is 'Yes'	
Originations	New	Do you control the appraisers used by your correspondents/brokers?	Conditional if the response to the question "Do you deliver loans that have been originated by a broker or	

Form Section	New/ Modified/ Removed	Question	Required or Conditional	Additional Information
			correspondent to Freddie Mac?" is 'Yes'	
Originations	New	Do you screen brokers/correspondents against the Freddie Mac Exclusionary List?	Conditional if the response to the question "Do you deliver loans that have been originated by a broker or correspondent to Freddie Mac?" is 'Yes'	If the response is no, then an explanation is required.
OFAC	Removed	Do you screen borrowers as required by OFAC?		
OFAC	Modified	Do you or your Servicing Agent(s) have policies and procedures to notify Freddie Mac's Compliance Division via email within 24 hours of blocking or rejecting a mortgage based on of a valid OFAC match?	Required	Applies to Seller/Servicers and Servicers only (not applicable for counterparties with Seller only roles)