

This job aid provides Best Practices to enable successful execution of a Best Efforts Contract.

## 1. Data Entry and Validation

- **Include Required Data:**

If you are creating a loan before taking out a Best Efforts contract, enter the ULDD data point, Interest Calculation Period Type. Without this, you cannot allocate the loan to a contract later.

- **Enter a Valid Note Date:**

Make sure the Note Date is entered before finalizing the loan for delivery. For Best Efforts Contracts, the Note Date must be entered no later than the close of business on the next business day after funding the mortgage.

## 2. Verify Key Fields:

- Verify the accuracy of the Initial Principal & Interest Payment to ensure that the loan is amortized correctly (ex. 360 months). Accuracy will enable settlement and avoid operational overrides, delays in funding, and contract expiration.
- Ensure that the Loan Acquisition Scheduled UPB Amount (Sort ID 385) and the Last Paid Installment Due Date (Sort ID 440) are correct. In other words, you must accurately provide the due date of the last paid installment that was collected for the mortgage at closing.
- The Loan Reference Product Label is a unique identifier that the system generates when all required data elements are provided. Although only minimal information is needed to create a loan, additional data is necessary for the system to generate this label. Without the Loan Reference Product Label, a loan cannot be allocated to a contract. Refer to Loan Selling Advisor online help for a table that identifies the data elements required to generate this label:

- [Loan Selling Advisor Online Help / Loan Pipeline Functions and Options](#)

## 3. Delivery and Custodian Coordination

- **Deliver Notes Promptly:**

If using a Freddie Mac Designated Custodian (The Bank of New York Mellon or Computershare Trust Company, N.A.), deliver all Notes at least one business day before the contract expiration or expected funding date—whichever comes first.

- **Avoid Delays:**

Delaying Note delivery can cause certification by the custodian to occur on the contract expiration date after the last funding resulting in delays, operational overrides, and additional fees.

This information is not a replacement or substitute for the requirements in the Freddie Mac *Single-Family Seller/Servicer Guide* or any other contractual agreements. This information does not constitute an agreement between Freddie Mac and any other party.

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