

*You have options to meet your borrower's needs!*

### CHOICERenovation<sup>®</sup>

This is our home improvement offering that allows renovation costs to be included in the mortgage amount.

### CHOICEReno eXpress<sup>®</sup>

This is our streamlined option that is an **expansion** of the CHOICERenovation offering for borrowers who are looking to finance relatively **small-scale** home renovations.

*Did you know...*

CHOICERenovation mortgages can be combined with GreenCHOICE<sup>®</sup> and CHOICEHome<sup>®</sup> Mortgages designed to provide solutions for making homeownership achievable and sustainable. It may also be used with most of our eligible fixed- and adjustable-rate mortgage products, including our low-down payment Home Possible<sup>®</sup> and HomeOne<sup>®</sup> Mortgages.

#### What is a CHOICERenovation Mortgage?

A CHOICERenovation Mortgage is a mortgage where the loan proceeds are used to finance the repairs and/or improvements to the property; the renovations may be completed before or after\* the Freddie Mac settlement date.



\*If the renovations are completed after the settlement date the Seller must obtain Freddie Mac's written approval before selling CHOICERenovation In Progress Mortgages to Freddie Mac.

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## How it Works

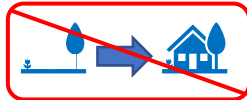
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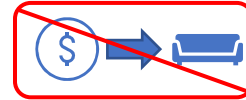
## Eligible Renovations

### Eligible and ineligible uses of mortgage proceeds

There are few restrictions on the type of renovations that may be financed in accordance with this offering. Proceeds **may not** be used:



To raze an existing structure and build a new primary dwelling unit



To finance personal property with the exception of new appliances

**CHOICERenovation mortgage proceeds must only be used to finance renovations that are made to a property with an existing dwelling, and may include:**



Fees related to plans and specifications, permits, title updates, appraisals, draw inspections and the final inspection.



An amount up to, but no more than, six monthly payments of principal, interest, taxes and insurance (PITI).



Contingency reserve funds, refer to the [Contingency Reserve](#) section.

Note: Contingency reserve funds are **NOT required if**:

- Proceeds are used exclusively to finance the addition or renovation of outdoor structures used for leisure and recreation.
- The Mortgage is a CHOICEReno eXPress mortgage.



Payoff of short-term financing that provided the borrower with funds to repair, restore, rehabilitate or renovate an existing home. Must meet the requirements in Guide Section [4607.6\(d\)](#). Not eligible for CHOICEReno eXPress.



Adding or renovating outdoor structures used for leisure and recreation, including, but not limited to, swimming pools, decking, screening and porch and patio additions (Note: refer to contingency reserve funds above).



Proceeds may be used to renovate or repair a property that has been damaged in a disaster or for renovations that will protect the mortgaged premises in case of a future disaster (e.g., storm surge barriers, foundation retrofitting for earthquakes, retaining walls, etc.).



Renovations to improve the energy and/or water efficiency of the Mortgaged Premises. Refer to Guide Sections 4606.4(a) and 4607.16(b) for more information on the eligibility for the credit for Credit Fees for GreenCHOICE® Mortgages.



Adding or renovating an Accessory Dwelling Unit (ADU), including a manufactured home ADU. Refer to Guide Section [5601.2](#) for more information on properties with an ADU. Mortgages secured by properties with a manufactured home ADU will be subject to the maximum financed renovation costs for purchase transactions (see Guide Section [4607.7\(b\)](#) and refer to Guide Section [4607.7\(c\)](#) for no cash-out refinance transactions). Refer to Guide Section [4607.6\(d\)](#) regarding the payoff of short-term financing that financed the addition or renovation of an ADU prior to the Note Date.

Renovations to a primary dwelling unit that is a manufactured home or a manufactured home ADU are allowed, provided the home remains in compliance with HUD's property acceptability criteria for manufactured homes and the requirements in Guide Section [5703.2](#) and [5703.6](#), as applicable. Renovations may include the removal of a manufactured home on the property that is not the primary dwelling unit, provided any effect of its removal on the value of the property is reported by the appraiser when determining the "as completed" value of the property pursuant to Guide Section [4607.8](#).

## Renovation Completion Options

### CHOICERenovation mortgage with a settlement date after completion of renovations:



The renovations and the final inspection **must** have been completed **prior to** the mortgage being **delivered** to Freddie Mac. This option allows you to deliver the mortgage to Freddie Mac **without** pre-approval, **without** recourse and is not subject to the requirements for the contingency reserve or the requirements for renovation work and process. Approval for transferring servicing is required.

**Note:** The Settlement Date must be no more than **450 days after the Note Date**.



**CHOICERenovation mortgage with a settlement date before completion of the renovations, also referred to as a “CHOICERenovation In Progress Mortgage”:**



Seller must obtain Freddie Mac approval\* before selling CHOICERenovation In Progress Mortgages to Freddie Mac. Once approved Sellers can **deliver** mortgages to Freddie Mac **prior to** completion of the renovations. These mortgages must be sold to Freddie Mac **with recourse**. These mortgages must not be CHOICEReno eXPress Mortgages.

**Note:** All renovations must be completed within **450 days of the Note Date**.

\*Freddie Mac has a streamlined review and approval process for Sellers that wish to deliver CHOICERenovation mortgages with settlement dates prior to the completion of the renovations. The Seller can request approval by calling either their Freddie Mac representative or (800) FREDDIE. Freddie Mac's prior written approval is also required for Concurrent Transfers of Servicing involving CHOICERenovation In Progress Mortgages

**CHOICEReno eXPress Mortgage with a settlement date before completion of renovations:**



This option allows you to deliver the mortgage to Freddie Mac **without** pre-approval, **without** recourse and **before** renovations are complete, provided certain requirements are met.

**Note:** All renovations are completed within 180 days of the note date, and the maximum financed renovation costs for CHOICEReno eXPress mortgages meet the requirements of Guide Section [4607.7](#).

CHOICEReno eXPress Mortgages will not be subject to the Seller responsibilities for renovation work and process described in Guide Section [4607.9\(a\)\(1\)](#), or the minimum contingency reserve requirements described in Guide Section [4607.11\(b\)](#).



## Notification of Completion

CHOICERenovation In Progress	CHOICERenovation eXPress
Seller must notify Freddie Mac through Loan Status Hub® (refer to the <a href="#">Loan Status Hub</a> ® section) and provide the completion report including photographs of the completed renovations.	
<ul style="list-style-type: none"> <li>The Seller represents and warrants that, as of the date the Seller notifies Freddie Mac that all renovations are complete, all applicable CHOICERenovation in Progress requirements in Chapter 4607 have been met.</li> </ul>	<ul style="list-style-type: none"> <li>The Seller represents and warrants that, as of the date the Seller notifies Freddie Mac that all renovations are complete, all applicable CHOICERenovation eXPress requirements in Chapter 4607 have been met, except the Seller will not be subject to the requirements for: <ul style="list-style-type: none"> <li>Renovation work and process described in Guide Section <a href="#">4607.9(a)(1)</a>.</li> <li>The minimum contingency reserve described in Guide Section <a href="#">4607.11(b)</a>, and</li> <li>Recourse described in Guide Section <a href="#">4607.14</a>.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>Until the Seller receives written acknowledgment from Freddie Mac through Loan Status Hub® that all renovations have been completed to satisfy the “as completed” appraised value of the original appraisal and Freddie Mac approves the removal of recourse, the Seller remains responsible for all applicable requirements of Guide Section <a href="#">4607.9</a>.</li> </ul>	<ul style="list-style-type: none"> <li>Until the Seller receives written acknowledgment from Freddie Mac through Loan Status Hub® that all renovations have been completed to satisfy the “as completed” appraised value of the original appraisal, the Seller remains responsible for all applicable requirements of Guide Section <a href="#">4607.9</a>.</li> </ul>
<b>Note:</b> If notice that all renovations are complete is not received by Freddie Mac by the Completion Date (and an extension is not approved by Freddie Mac (See Guide Section <a href="#">4607.4(a)(ii)</a> ), the mortgage will be subject to a repurchase.	

## Completion Date Extension



The Seller may request from Freddie Mac a Completion Date extension when circumstances outside the borrower’s or contractor’s control prevent completion of the renovations by the Completion Date. The total days requested for the extension(s) **must not exceed 90 days**.

To be eligible for a Completion Date extension, the borrower must not:

- ⇒ Be delinquent at the time of the Seller’s extension request, and
- ⇒ Have been 30 days delinquent more than once during the renovation period

To request a Completion Date extension, the Seller must submit to Loan Status Hub® documentation supporting the reason for the delay (e.g., weather, supply chain issues, permit delays, etc.). If Freddie Mac grants the extension, the Completion Date may be extended:

- ⇒ A maximum of 90 days for CHOICERenovation Mortgages
- ⇒ A maximum of 30 days for CHOICEReno eXPress Mortgages

If the extension request is granted, Freddie Mac will provide the extended Completion Date through Loan Status Hub®, refer to the [Loan Status Hub](#)® section.



## Loan Status Hub®

**Loan Status Hub® is the single means of communication for CHOICERenovation In Progress and CHOICEReno eXPRESS Mortgages.**

**Sellers must use Loan Status Hub® to:**



- ⇒ Submit project completion documents
- ⇒ Request extensions when circumstances prevent the completion of the project in compliance with the timelines provided in the Guide and, if applicable, the approved extension date.
- ⇒ Request removal of recourse

**Note:** Sellers may also use Loan Status Hub® to identify the required Completion Date.

The Seller must request access to Loan Status Hub® by calling their Freddie Mac representative or the Customer Contact Center at 800-FREDDIE. For Sellers with Delegated/Designated Administrators in Freddie Mac Access Manager can also provision Loan Status Hub® access to designees.



Refer to the following resources to get started with Loan Status Hub®:

- ⇒ [Loan Status Hub® Checklist](#)
- ⇒ [Loan Status Hub® Operational Flow](#)

## Mortgage Eligibility



Mortgages must be first-lien mortgages and may be any mortgage eligible within the Guide, including Home Possible® and HomeOne®. See Guide Section [4607.2\(b\)](#) for the list of mortgages that are ineligible for delivery as CHOICERenovation mortgages or CHOICEReno eXPRESS mortgages.



**Note:** CHOICERenovation and CHOICEReno eXPress mortgages secured by a property previously owned free and clear by the borrower are considered “no cash-out” refinance mortgages if the proceeds are used only to finance the eligible renovations described in Guide Section [4607.6](#).

Topic	Requirements
<b>Purpose</b>	<ul style="list-style-type: none"><li>▪ Purchase<ul style="list-style-type: none"><li>✓ Proceeds are used to purchase the property and pay for the eligible renovations</li></ul></li><li>▪ No cash-out refinance<ul style="list-style-type: none"><li>✓ Proceeds may not be used to disburse cash out to the borrower.</li><li>✓ At least one borrower must have been on the title to the subject property for at least six months prior to the Note Date unless one of the exceptions to this title requirement that are specified in the cash-out refinance mortgage requirements of Guide <a href="#">Section 4301.5(b)</a> applies.</li></ul></li></ul>
<b>Occupancy and Property Type</b>	<ul style="list-style-type: none"><li>▪ 1- to 4-unit primary residence</li><li>▪ Second home</li><li>▪ 1-unit investment property</li><li>▪ A manufactured home, including a manufactured home that is a CHOICEHome® described in <a href="#">Guide Section 5703.16</a>.</li><li>▪ A condominium unit, a unit in a planned unit development, or an ownership interest in a Cooperative Unit if permitted under the Seller's Purchase Document.</li></ul>
	<p>For CHOICERenovation In Progress or CHOICEReno eXPress mortgages secured by <b>primary residences</b>, if the borrower <b>does not occupy</b> the property during the course of the renovations:</p> <p>The property will be deemed owner-occupied as of the delivery date to Freddie Mac so long as the borrower occupies the property as a primary residence <b>within 60 days</b> of the last disbursement made and distributed from the Custodial Account for Renovation Funds (as described in Guide Section <a href="#">4607.12</a>).</p>
<b>Maximum LV/TLTV/HTLTV Ratios</b>	Must comply with the Loan-to-Value, Total LTV, Home Equity Line of Credit TLTV ratios in Guide <a href="#">Section 4203.4</a> and any other applicable LTV/TLTV/HTLTV ratio requirement for the specific Mortgage Product or offering.



## Underwriting the Mortgage

Topic	Requirements
Underwriting	All CHOICERenovation Mortgages must be Accept mortgages.
Documentation	The mortgage file must contain all applicable renovation documentation detailed in Guide Section <a href="#">4607.9(b)(1)</a> .
Topic	Requirements
<b>Temporary Rental Payments</b>  <b>For mortgages with Settlement Dates before completion of renovations</b>	For CHOICERenovation In Progress and CHOICEReno eXPress Mortgages secured by Primary Residences, if the borrower plans to rent another property as their principal domicile during the renovations: <ul style="list-style-type: none"><li>▪ Rental lease must be documented in the mortgage file</li><li>▪ Must include the rental payment in the calculation of the monthly debt payment-to-income ratio if:<ul style="list-style-type: none"><li>○ More than 10 months remain on the lease term as of the note date, or</li><li>○ The rental lease has a renewal or extension option.</li></ul></li></ul>

### Appraisal Requirements



- The Seller must obtain an appraisal based on an interior and exterior inspection.
- The appraisal report must include an “as completed” value of the subject property subject to completion of the proposed renovations.
- The Seller must provide the appraiser with the cost estimates, plans and specifications for the renovations.



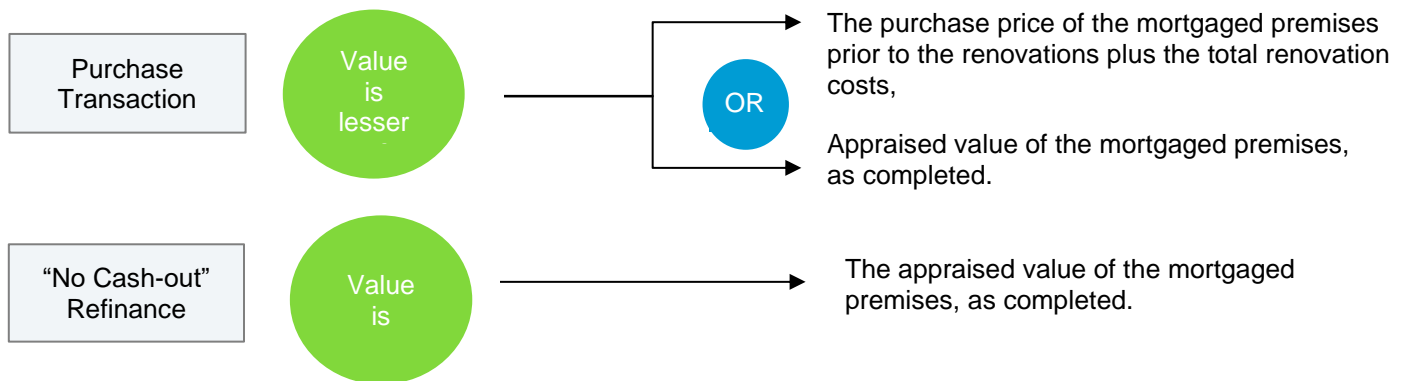
If, after the appraiser provides the “as completed” value, changes are made to the original plans and specifications in accordance with Guide Section [4607.9\(a\)\(2\)](#), the Seller must notify the appraiser of the changes and provide change documentation to the appraiser. The appraiser must provide a revised appraisal to reflect the changes and account for the impact on the “as completed” value.

- Upon completion of the renovations, the appraiser must perform a final inspection of the property in accordance with Guide Section [5601.11](#) and complete a certification of completion. The completion report must document that all renovations were completed in accordance with the plans and specifications and must include photographs of the completed renovations.

**Note:** If Form 1000, Single Family Comparable Rent Schedule, or Form 72, Small Residential Income Property Appraisal Report, is required, it must be completed using current rental income for the subject property. Refer to Guide Section 5306.4.

## Determining the LTV Ratios

The value used to determine the Loan-to-Value (LTV), Total Loan-to-Value (TLTV) and Home Equity Line of Credit TLTV (HTLTV) ratios must be established as follows:





## Maximum Financed Renovation Costs

For...	The total cost of the financed renovations must not exceed...	Of the ...
<b>Purchase</b>		
CHOICERenovation mortgages delivered pursuant to Guide Sections <a href="#">4607.1(a)</a> and <a href="#">4607.1(b)</a>	<b>75%</b>	<b>Lesser</b> of the: <ul style="list-style-type: none"><li>Sum of the purchase price of the property plus the estimated total of the renovation costs, or</li><li>“As completed” value of the property as determined by the appraiser pursuant to Guide Section <a href="#">4607.8</a></li></ul>
CHOICEReno eXPress mortgages in <a href="#">Duty to Serve high-needs areas</a>	<b>15%</b>	
CHOICEReno eXPress mortgages <b>NOT</b> in <a href="#">Duty to Serve high-needs areas</a>	<b>10%</b>	
<b>No Cash-out Refinance</b>		
CHOICERenovation mortgages delivered pursuant to Guide Sections <a href="#">4607.1(a)</a> and <a href="#">4607.1(b)</a>	<b>75%</b>	<ul style="list-style-type: none"><li>“As completed” value of the property as determined by the appraiser pursuant to Guide Section <a href="#">4607.8</a></li></ul>
CHOICEReno eXPress mortgages in <a href="#">Duty to Serve high-needs areas</a>	<b>15%</b>	
CHOICEReno eXPress mortgages <b>NOT</b> in <a href="#">Duty to Serve high-needs areas</a>	<b>10%</b>	

## Manufactured Homes

For...	The total cost of the financed renovations must not exceed the lesser of \$50,000 or...	Of the ...
<b>Purchase and No Cash-out Refinance</b>		
CHOICERenovation mortgages delivered pursuant to Guide Sections <a href="#">4607.1(a)</a> and <a href="#">4607.1(b)</a>	<b>50%</b>	<ul style="list-style-type: none"> <li>“As completed” value of the property as determined by the appraiser pursuant to Guide Section <a href="#">4607.8</a></li> </ul>
CHOICEReno eXPress mortgages in <a href="#">Duty to Serve high-needs areas</a>	<b>15%</b>	
CHOICEReno eXPress mortgages <b>NOT</b> in <a href="#">Duty to Serve high-needs areas</a>	<b>10%</b>	







### Did you know...


LPA will identify a loan that is located in a designated Duty to Serve high-needs area based on the Program Identifier selection and determining the maximum financed renovation costs. LPA will display a feedback message in the **General Messages** section on the Loan Product Advisor Feedback Certificate, as applicable. Refer to the [Loan Product Advisor Feedback Message Updates](#) (For CHOICERenovation Mortgages effective November 25, 2024).

**Note:** If the financed renovation costs are exceeded, LPA will return a **Purchase Eligibility** of “Ineligible”, and a purchase restriction message returned in the **Purchase Restriction Messages** section of the Feedback Certificate. You must take all steps possible in accordance with Chapter 4607 to correct the information and resubmit the mortgage to LPA to obtain a Purchase Eligibility of “Eligible”.

## Example Maximum Financed Renovation Costs- CHOICERenovation Mortgage:

### Purchase Transaction Example

	Subject Single-Family Residence was purchased for:	\$75,000	
	Cost of the improvements on the subject property:	\$175,000	
		<hr/>	
	Total acquisition cost of the property equals:	\$250,000	<div>The value must be established using the lesser of</div>
	“As completed” value of the property:	\$250,000	





The maximum allowable renovation cost is 75% of the value<sup>1</sup>


$$\begin{array}{r} \$250,000 \\ \times 75\% \\ \hline \$187,500 \end{array}$$

<sup>1</sup>See guidelines above for Manufactured Home requirements

## Example Maximum Financed Renovation Costs- CHOICEReno eXPRESS Mortgage:

### Refinance Transaction Example\*

	Cost of the improvements on the subject property:	\$20,000	
		<hr/>	
	“As completed” value of the property:	\$150,000	<div>The LTV/TLTV/HTLTV ratio is established using the “as completed value”</div>



The maximum allowable renovation cost is 15% of the value<sup>1</sup>

$$\begin{array}{r} \$150,000 \\ \times 15\% \\ \hline \$22,500 \end{array}$$

<sup>1</sup>See guidelines above for Manufactured Home requirements

\*Property located in Duty to Serve high-needs area



## Loan Product Advisor®

You must select the applicable Loan Program Identifier, Product or Program for CHOICERenovation Mortgages in your loan origination system (LOS) for LPA to assess the transaction.

Effective for mortgages submitted to LPA on or after **November 25, 2024**: Loan Product Advisor aligns with the loan delivery CHOICERenovation Loan Program Identifiers.

Select the applicable **Loan Program Identifier**:

- ⇒ CHOICERenovation
- ⇒ CHOICERenovation In Progress
- ⇒ CHOICEReno EXpress
- ⇒ CHOICEReno EXpress DTS Area

Program Identifier(s)
Select
<input type="checkbox"/> HFA Advantage
<input type="checkbox"/> Home Possible
<input type="checkbox"/> CHOICEHome
<input type="checkbox"/> CHOICEReno EXpress
<input type="checkbox"/> CHOICEReno EXpress DTS Area
<input type="checkbox"/> CHOICERenovation
<input type="checkbox"/> CHOICE Renovation In Progress
<input type="checkbox"/> Community Land Trust

The **Program Identifier** displays in the **Loan Details** section of the Loan Product Advisor Feedback Certificate. It will also display any additional Program Identifiers that have been combined with CHOICERenovation.

### Loan Details

BORROWER NAME ALICE FREDDIE	ADDITIONAL BORROWER N/A	ADDITIONAL BORROWER N/A	ADDITIONAL BORROWER N/A
ADDITIONAL BORROWER N/A	MORTGAGE TYPE Conventional	APPRAISAL IDENTIFIER N/A	LENDER LOAN NUMBER [REDACTED]
DOCUMENTATION LEVEL Streamlined Accept	PROPERTY ADDRESS [REDACTED]	30161	
PROGRAM IDENTIFIER(S) CHOICERenovation			



### Purchase transaction<sup>1</sup>:

Sales Contract Price Field:	Enter the purchase price
Improvements, Renovations and Repairs Field <sup>2</sup>	Enter the cost of the renovations
Appraised Property Value Field:	Enter the “as completed” value of the mortgaged premises
Loan Amount Field:	<p>Enter the loan amount</p> <p>Determined by using the lesser of:</p> <ul style="list-style-type: none"><li>▪ The combined purchase price of the property and cost of the renovations minus the down payment</li></ul> <p><b>Or</b></p> <ul style="list-style-type: none"><li>▪ The “as completed” value listed on the appraisal report minus the down payment</li></ul>

### “No cash-out” refinance transaction<sup>1</sup>:

Appraised Property Value Field:	Enter the “as completed” value of the mortgaged premises
Loan Amount Field:	Enter the loan amount
Improvements, Renovations and Repairs <sup>2</sup>	Enter the amount of the renovation costs
Refinance Mortgage Property to be Paid Off Field:	Enter the pay-off amount of the mortgage being refinanced.

<sup>1</sup> Must be within the maximum LTV ratios for whichever program you are choosing.

<sup>2</sup>S2S Users: This field is identified as “Alterations, Improvements and Repairs Amount”.



## LPA Feedback Certificate Scenario

Purchase Transaction	
Purchase Price	\$175,000
Renovation Costs	\$30,000
Total	\$205,000
Down Payment	\$20,500
Loan Amount	\$184,500

### Mortgage Details

PRODUCT TYPE 30 Year Fixed	AMORTIZATION MONTHS 360	LOAN AMOUNT \$184,500.00	INTEREST RATE 5.0000%
LOAN PURPOSE Purchase	ESTIMATED PROPERTY VALUE N/A	APPRAISED PROPERTY VALUE \$215,000.00	NUMBER OF UNITS 1
PROPERTY TYPE Site Built Detached	REFINANCE TYPE N/A	CASH OUT AMOUNT N/A	NEW CONSTRUCTION N/A
AFFORDABLE SECOND N/A	SALES CONCESSIONS N/A	ARM QUALIFYING PITI N/A	LENDER SUBMITTED RESERVES N/A
	HELOC BALANCE \$0.00		



Is the calculation of the LTV ratio based on the:

- a) Purchase Price
- b) Purchase Price + Renovation Costs
- c) Appraised Property Value

Scroll down or  
click





If you selected “b” you are correct. In this example, the LTV ratio is based on the Purchase Price + the Renovation Costs (\$205,000). The LTV ratio is 90%. Refer to the [Determining Value](#) section.

## Additional Information

### Contingency Reserves

Funds must be deposited into a contingency reserve to cover unforeseen renovation costs.



⇒ These funds are in addition to the renovation funds required to be deposited into the completion escrow account.

⇒ These funds may come from the CHOICERenovation Mortgage proceeds or directly from the Borrower.

<b>Minimum Contingency Reserve</b>	For CHOICERenovation In Progress Mortgages, the minimum contingency reserve amount must be greater than or equal to 10% of the total renovation costs identified in the renovation contract(s), except that if the property utilities are not operable as referenced in the renovation contract(s) and/or plans and specifications, the minimum contingency reserve amount must be greater than or equal to 15% of the total renovation costs identified in the renovation contract(s).
<b>Maximum Contingency Reserve</b>	<p>For CHOICERenovation Mortgages, the contingency reserve amount must be less than or equal to 20% of the total renovation costs identified in the renovation contract(s).</p> <p>While a contingency reserve is not required for CHOICEReno eXPress® Mortgages or CHOICERenovation Mortgages whose proceeds are used exclusively to finance the addition or renovation of outdoor structures used for leisure and recreation, if the Seller chooses to establish a contingency reserve, the contingency reserve amount must be less than or equal to 20% of the total renovation costs identified in the renovation contract(s).</p>



## Advancing the Cost of Materials

A percentage of the cost of materials may be advanced at closing in lieu of such funds being deposited into the completion escrow account or Custodial Account for Renovation Funds, as applicable, as follows:

For...	Advance cost of materials up to...	To...
Contractor(s)/tradesperson(s) chosen by the borrower to complete the renovations in accordance with Guide Section <a href="#">4607.10 (b)</a>	50%	Contractor(s)/tradesperson(s)
Renovations purchased from a home improvement store in accordance with Guide Section <a href="#">4607.10 (c)</a>	100%	Home improvement store

## Custodial Accounts for Renovation Funds



**For CHOICERenovation In Progress Mortgages**, the Seller must open and maintain a separate completion escrow account solely to retain the CHOICERenovation mortgage proceeds and any other deposited funds to be used to complete the renovations (such funds, the “Renovation Funds” and each such account, the “Custodial Account for Renovation Funds”). Refer to Guide Section [4607.12](#) or more information.

## Transferring Servicing

Subsequent Transfers of Servicing involving CHOICERenovation In Progress mortgages are prohibited until:



- All renovations have been completed,
- The Seller has obtained a completion report pursuant to Guide Section [4607.8](#), and Freddie Mac has acknowledged completion of the renovations pursuant to Guide Section [4607.9\(c\)](#), and
- Freddie Mac has approved removal of recourse pursuant to Guide Section [4607.14](#).

Concurrent Transfers of Servicing involving CHOICERenovation In Progress mortgages are permitted for:

- Sellers who have obtained Freddie Mac’s prior written approval, provided the special requirements in Guide Section [4607.17\(a\)](#) are met. Sellers may request approval by contacting their Freddie Mac representative or the Customer Support Contact Center at 800-FREDDIE. See Chapter [7101](#) regarding Transfers of Servicing.



CHOICERenovation In Progress Mortgages and CHOICEReno eXPress Mortgages may not be sold through Cash-Released XChange®. Additionally, CHOICEReno eXPress Mortgages may not be involved in any other Concurrent Transfers of Servicing.

**Note:** Transfers of Servicing involving CHOICEReno eXPress are prohibited until all renovations have been completed and the Seller has obtained a completion report pursuant to the appraisal requirements in Guide Section [4607.8](#).

## Deliver the Loan to Freddie Mac

Refer to [Guide Section 6302.43, Special delivery requirements for CHOICERenovation Mortgages](#).

**Note:** When CHOICERenovation Mortgage proceeds finance renovations to improve the energy- and/or water-efficiency of the property, the CHOICERenovation Mortgage may be eligible for the credit for Credit Fees for GreenCHOICE Mortgages, refer to Guide Section. In addition to meeting the special delivery requirements for CHOICERenovation Mortgages you must deliver the ULDD Data Point(s) for GreenCHOICE Mortgages in Guide Section [6302.23](#).


Also refer to: [ULDD Data Delivery Tips](#) for guidance on how to deliver the Uniform Loan Delivery Dataset in Loan Selling Advisor® to ensure accurate data and avoid data delivery errors.




## More Information Related To:

For information on CHOICERenovation mortgages refer to Chapter [4607](#). For specific topics refer to the applicable Guide Sections referenced below.

Borrower as the contractor and renovations purchased from a home improvement store

 [Section 4607.10](#)


Seller responsibilities for renovation work and process

 [Section 4607.09](#)


Funds for renovations and contingency reserve requirements

 [Section 4607.11](#)


Seller representation and warranty relief

 [Section 4607.15](#)

Property insurance

 [Section 4607.13](#)

Delivery requirements

 [Section 4607.16](#) and [Section 6302.43](#)



### Resources

- ⇒ CHOICERenovation Mortgages [webinar](#)
- ⇒ CHOICERenovation Mortgages Product [Webpage](#)
- ⇒ [Loan Status Hub® Checklist](#)

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