

Certification of loans prior to allocation provides Sellers the option of certifying loans before they are allocated to a Cash, Guarantor, or MultiLender Swap contract; to certify loans well in advance of settlement; and to help Sellers leverage shorter delivery periods for improved pricing using certified loans through the cash execution.

**Note:** Sellers with Warehouse Lender relationships are not eligible for the certification prior to allocation option because Warehouse Lenders require an executed Form 996E (*Warehouse Provider Release and Transfer*), which can only be issued if there is an existing Investor Contract Identifier.

This document provides information on completing certification prior to allocation, as well as the steps to take after the loan is certified. To use this, the following must be true:

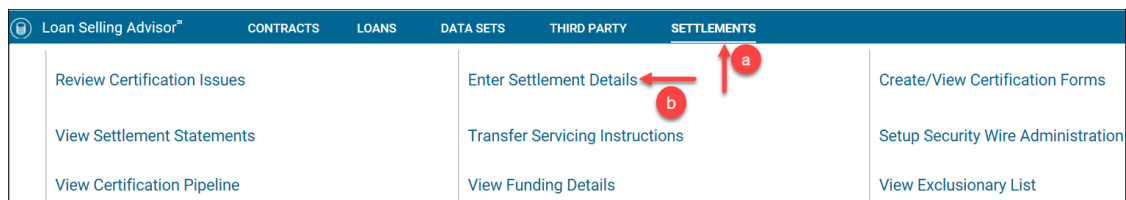
- Loan Selling Advisor® contains complete loan data.
- The Loan Reference Product is labeled.
- Critical edits are cleared.

The Seller can still request a certification review due date with this option. The FHLMC Ln # is automatically assigned when a Seller builds Form 1034E, *Custodial Certification Schedule – Detailed*.

## Steps to Complete Certification Prior to Allocation

To complete certification prior to allocation, first enter the settlement details, which is the process of selecting an unallocated loan or a group of unallocated loans to be tagged with a specific Servicer and Custodian. If you have a default Servicer Identifier number and a default Custodian (one Servicer Identifier and one Custodian) skip to step 5. Otherwise, begin with step 1 to enter your settlement details:

1. From the Loan Selling Advisor main menu, click **Settlements**, and then click **Enter Settlement Details**.



2. The **Enter Settlement Details: Search** screen displays. Perform the following steps:
  - a) Select **Unallocated Loans**.
  - b) Select one more of the following search criteria to locate loan(s): the **Seller Loan Identifier**, **Loan Reference Product Label**, or **Interest Rate**.
  - c) Click **Search**.



Enter Settlement Details: Search

Enter information in at least one field below to search for loans:

Loan Created Date:  to

Loans:  Allocated Loans  Unallocated Loans **a**

Execution Option:  Cash  Guarantor / Multifunder

Requested Settlement Date:  to  and/or  Settlement ASAP

Seller Loan Identifier:  **b**

Modified Loan  Converted Loan

**c**

- A list of loans matching the search criteria appears. Perform the following steps:
  - Enter a **Servicer Identifier** and a **Custodian**.
  - Select one or more loans to update (for certification).
  - Click **Update Loans**.

Enter Settlement Details: Unallocated

Select the information (e.g., Servicer Identifier, Custodian) and loan(s) to update, and click Update Loans.

Servicer Identifier:  **a**

Custodian:

SELLER LOAN IDENTIFIER	SERVICER IDENTIFIER	CUSTODIAN	LOAN REFERENCE PRODUCT LABEL	INTEREST RATE
<input checked="" type="checkbox"/> .260635083			30-Year Fixed Rate Conventional	3.875%

Select Page  Select All 1 Loan TOTAL SELECTED: 1

1-1 of 1 Loan Loans Per Page: 25

**c**

- A message displays indicating which loans have been successfully updated.

Enter Settlement Details: Results

The following loan(s) have been updated:

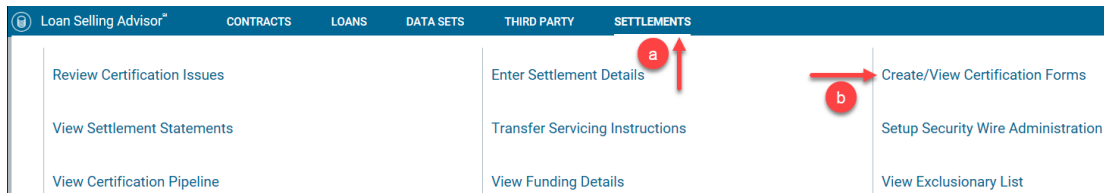
SELLER LOAN IDENTIFIER	SERVICER IDENTIFIER	CUSTODIAN	LOAN REFERENCE PRODUCT LABEL	INTEREST RATE
		9999999	30-Year Fixed Rate Conventional	3.875%

[Back to Update Loans](#)

[Back to Search](#)

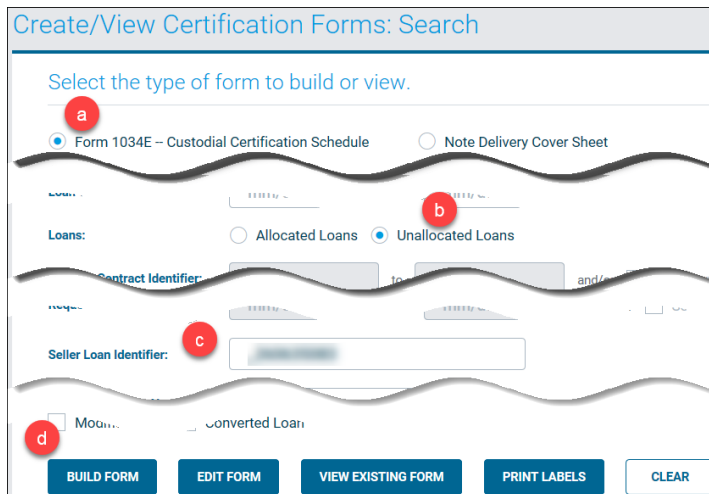


- From the main menu, click **Settlements**, and then click **Create/View Certification Forms**.



- The Create/View Certification Forms: Search screen displays. Perform the following steps:

- Select **Form 1034E – Custodial Certification Schedule**.
- Select **Unallocated Loans**.
- Enter your **Seller Loan Identifier**.
- Click **Build Form**



- The screen now displays all eligible loans matching the search criteria. Perform the following steps:
  - Enter a certification date.
  - Select the loans to include on Form 1034E.
  - Click **PRINT LABELS**. This opens a window with the labels, and you can then print them.
  - Click **Build Form**.



Create/View Certification Forms: Build

Select loan(s) to display on the 1034E - Custodial Certification Schedule Form.

Form 1034E can be built, viewed, or printed in a particular sort order only when sorting on these columns: Investor Contract Identifier, Pool #, Seller Loan Identifier, Freddie Mac Loan Number, or Primary Borrower Name.

Update Certification Due Dates to: 12/05/2017

INVESTOR CONTRACT IDENTIFIER	POOL #	SELLER LOAN IDENTIFIER	FREDDIE MAC LOAN NUMBER	PRIMARY BORROWER NAME	REQUESTED SETTLEMENT DATE	CUSTODIAN	CERTIFICATION DUE DATE	LOAN REFERENCE PRODUCT LABEL	INTEREST RATE
<input checked="" type="checkbox"/>	Unallocated							30-Year Fixed Rate Conventional	3.875%

Select Page  Select All 1 Loan TOTAL SELECTED: 1

1 - 1 of 1 Loan Loans per page: 50

**Note:** If you wish to print labels, do so *before* building the form (as in the previous instructions), because Loan Selling Advisor does not allow you to do so afterward building the form.

- Form 1034E displays with the assigned **Certification Batch Identifier** and **FHLMC Ln #(s)**. Print the form, attach all the applicable forms and documents, and forward it to the Custodian for certification.

Custodial Certification Schedule - Internet Explorer

**Freddie Mac** 1034E -- Custodial Certification Schedule

**Custodial Certification Schedule**

Custodian Number: [REDACTED] Date of Print: 12/1/2017  
 Custodian: [REDACTED] Seller Identifier: [REDACTED]  
 Certification Batch Identifier: [REDACTED] Seller Name: [REDACTED]  
 Prepared by: [REDACTED] Investor Contract Identifier: Unallocated  
 Earliest Certification Due Date: [REDACTED]

**Total Loans (Notes): 1** **Total Note Amount: \$161,500.00**

FHLMC Ln #:	Note Date:	Street Address:	City Name:	State Code:	Postal Code:
[REDACTED]	10/2/2016	[REDACTED]	[REDACTED]	FL	[REDACTED]

Seller Ln Id:	Service Id:	Note Rate Percent:	Note Amt:	Sched First Pymt Date:	Init PFI Pymt Amt:
[REDACTED]	**	3.875 %	[REDACTED]	12/1/2016	\$ 759.43

MERS MIN Id:	Ln Mod Effective Date:	Latest Conv Effective Date:	Invest Contract Id:	PG Pool #:	Ln Maturity Date:
[REDACTED]	[REDACTED]	[REDACTED]	Unallocated	[REDACTED]	11/1/2046

Print

## Post-Certification Process

After the loans are certified, do the following:

- Take out a contract.
- Allocate certified loans to that contract.
- Re-assess the loans against the contract terms. If Loan Selling Advisor generates new edits, clear them.
- Enter settlement details. If you have a cash contract and do not want ASAP funding, select a specific funding date and follow your normal funding process flow for the execution path selected (Cash or Guarantor) to complete the sale to Freddie Mac.

This document is not a replacement or substitute for the information found in the *Freddie Mac Single-Family Seller/Service Guide* or terms of your Master Agreement or other Pricing Identifier Terms.

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