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Acceptance of referrals of Freddie Mac mortgage loan files by the law firm constitutes the law firm's consent to be bound by the provisions in this document.

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# Freddie Mac Default-Related Legal Services Reference Guide

June 2020

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**Legal Disclaimer:** This document is not a replacement or substitute for the information found in the Freddie Mac *Single-Family Seller/Servicer Guide*, and the terms of your Limited Retention Agreement.

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## Introduction

This reference guide provides a foundation for understanding the requirements, procedures, and other guidelines for handling Default-Related Legal Services for Freddie Mac Default Legal Matters (foreclosures, bankruptcy, loss mitigation, and related litigation involving Freddie Mac - owned or guaranteed - mortgages). Your law firm has been selected by one or more of Freddie Mac's Servicers because of their assessment that your firm has the experience and capacity to handle our legal work. We expect that your work will be conducted in a manner that serves the interest of Servicers and Freddie Mac. It is also our expectation that your firm will assist in our efforts to avoid foreclosures, where appropriate, by providing timely and fulsome information on alternatives to foreclosure such as loan modifications, short-sales, and reinstatements to impacted borrowers.

This reference guide includes:

- Ethical Standards and Professionalism
- Freddie Mac Files and Data Management
- Foreclosure Requirements
- Bankruptcy Requirements
- Litigation Requirements
- Other Helpful Information

Please make this reference guide available to anyone at your firm handling Freddie Mac Default Legal Matters.

### Freddie Mac Single-Family Seller/Servicer Guide

The Freddie Mac *Single-Family Seller/Servicer Guide* ("Guide") details expectations and requirements for the Servicer's administration of Default-Related Legal Services. Therefore, any referrals you receive from a Servicer are governed by the Guide. Your law firm and all attorneys handling Freddie Mac Default Legal Matters are responsible for understanding and supporting **all** Guide requirements related to providing such legal representation. **The Guide can be accessed via [AllRegs.com](http://AllRegs.com) or [FreddieMac.com](http://FreddieMac.com).**

### Limited Retention Agreement

The Limited Retention Agreement ("LRA") executed by Freddie Mac and your law firm details the requirements and expectations related to your firm's representation of Freddie Mac and our Servicers on Default Legal Matters. Your law firm and all attorneys providing services on Default Legal Matters are responsible for understanding and complying with all sections of the LRA.

The LRA sets forth guidelines relating to your firm's non-exclusive representation of Freddie Mac in mortgage Default-Related Legal Services in the jurisdiction identified in the LRA. Your firm cannot receive any referrals of Default-Related Legal Matters until your firm has received the fully-executed LRA counter-signed by Freddie Mac.

Your firm may also have a Real Estate Owned ("REO") Retention Agreement ("RRA") with Freddie Mac to provide REO Legal Services. Your firm and all attorneys providing REO Legal Services are responsible for understanding and complying with all sections of the RRA.

## Certification Requirements

As an ongoing requirement for providing Default-Related Legal Services on behalf of Freddie Mac, your firm will be required to certify, upon request from Freddie Mac, its compliance with the terms, conditions and guidelines set forth in the current version of the following pertinent documents:

- Default Law Firm Limited Retention Agreement;
- Freddie Mac Single-Family Seller/Servicer Guide;
- Default-Related Legal Services Reference Guide;
- ADR Quick Reference Guide; and
- Law Firm Training Module.

If your law firm provides REO Legal Services on behalf of Freddie Mac, your firm will also be required to certify, upon request from Freddie Mac, its compliance with the terms and conditions set forth in the current version of the following REO documents:

- Real Estate Owned Retention Agreement; and
- Real Estate Owned Operational Provisions.

In addition, any law firm employee involved in providing Default-Related or REO Legal Services on behalf of Freddie Mac must have ongoing access to each of the documents set forth above.

To certify its compliance, your firm must review its internal policies and practices to ensure that they include policies, procedures and controls to ensure compliance with the documents above. Following your review, your firm must complete and return the Freddie Mac Default and REO Legal Services Law Firm Compliance Certification ("FLFCC") form to Freddie Mac. A separate form must be completed for each state or jurisdiction in which your firm has an LRA or RRA with Freddie Mac.

## Ethical Standards and Professionalism

Freddie Mac has a deep commitment to high ethical standards and professionalism and the default-related legal services your firm provides are an important and integral part of default management at Freddie Mac. Accordingly, it is our expectation that your firm will conduct your dealings in all proceedings and interactions with the highest standards and integrity.

Ethical Standards and Professionalism	
<b>Insider Trading</b>	Freddie Mac may, during the course of the law firm’s representation, disclose to the firm confidential and proprietary information and trade secrets pertaining to Freddie Mac’s past, present, and future activities that may contain “material inside information” relating to Freddie Mac or its securities within the meaning of the federal securities laws (collectively, “Confidential Information”). Such Confidential Information shall not be used by the firm, its employees, temporary or contract workers, and/or third-party vendors in any way that violates the federal securities laws.
<b>Third-Party Vendors</b>	Your firm must not allow its financial interest in any vendor of associated services (e.g., title companies, process servers) to compromise the firm’s handling of Freddie Mac’s files. In the event a vendor in which the firm holds an interest is unable to meet Freddie Mac’s requirements, including but not limited to the provision of high quality service within the cost limitations set forth by Freddie Mac, the firm must find a replacement vendor for those services, without regard to any financial interest the firm may have in that vendor.
<b>Whistle Blower “Hotline”</b>	Your law firm agrees to publish to your employees the following telephone number: <b>877-301-CODE (2633)</b> and/or website address <a href="http://FreddieMacEthicsHelpline.com">FreddieMacEthicsHelpline.com</a> to which your employees may anonymously report information to Freddie Mac concerning unlawful, unprofessional, or unethical conduct.
<b>Unprofessional or Unethical Conduct</b>	<p>Freddie Mac requires law firms to maintain the highest professional and ethical standards.</p> <p>Whether or not a Freddie Mac loan is involved, we require your firm to inform us in writing within <b>two (2) business days</b> after the occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>a) Any document execution issues involving any attorneys, paralegals, professionals or other staff of your firm (including temporary or contract workers and persons employed by any "back office" or affiliated entity that provides services in support of your law practice);</li> <li>b) Any state bar (or any other organization or entity responsible for attorney discipline) informs your firm or an attorney at your firm that a grievance or a complaint has been lodged against the firm or the attorney;</li> <li>c) The attorney general or any other law enforcement officer or agency is conducting any inquiries or investigations of your firm;</li> </ul>

- d) Any state bar (or any other organization or entity responsible for attorney discipline) has made any decision to impose any form of disciplinary measures against your firm or an attorney at the firm;
- e) A court has entered an order to the effect that the court is reporting to the bar an issue relating to the professional or ethical conduct of your firm or an attorney at the firm;
- f) A court has entered an order imposing any form of disciplinary measures against your firm or an attorney at the firm, whether denominated a "sanction" or requiring a monetary payment, or otherwise;
- g) A court has rendered an opinion, whether in a published decision or not, that your firm or an attorney at the firm has acted unprofessionally or unethically, or has violated one or more professional or ethical codes of conduct applicable in the jurisdiction;
- h) A civil action has been filed against your firm or an attorney at the firm, alleging any unlawful, unprofessional or unethical conduct by your firm or an attorney at the firm;
- i) Any attorney, paralegal professional, or other employee or staff of your firm (including temporary or contract workers and persons employed by any "back office" or affiliated entity that provides services in support of your law practice) has committed what you reasonably believe to be an unlawful act or omission, or has acted in a manner that you reasonably believe may be a breach of any applicable professional rules or ethical obligations, including but not limited to acts in which a person has:
  - Improperly signed his or her name to legal documents;
  - Signed his or her name to affidavits or certifications that attest to having personal knowledge, when the person lacks personal knowledge;
  - Signed his or her name to affidavits or certifications that attest to having personal knowledge, and the matters attested to or certified did not occur;
  - Signed another person's name to a legal document without appropriate authority or disclosure; and/or
  - Failed to notarize an affidavit or other document in compliance with applicable law.

**All such notifications should be sent to: [Legal\\_Escalations@FreddieMac.com](mailto:Legal_Escalations@FreddieMac.com).**

## Freddie Mac Files and Data Management

Your firm must maintain Freddie Mac files and data in accordance with the requirements set forth to protect the security and confidentiality of the materials and to ensure accessibility by Freddie Mac.

Freddie Mac Files and Data Management	
<b>File Ownership</b>	<p>Freddie Mac owns all files referred to the law firm involving any Freddie Mac loan. This includes all documents provided to the law firm, and all documents prepared or created by the law firm, in connection with any foreclosure, bankruptcy, loss mitigation, or any other activity the law firm may be engaged in with respect to the loan, whether in paper or electronic form.</p> <p>Freddie Mac owns all promissory notes for Freddie Mac files referred to the law firm. The law firm must presume that the original promissory note exists and make a diligent effort to obtain the original or a copy of the promissory note as may be needed for foreclosure. The law firm should prepare and rely upon a lost note affidavit only if these efforts fail to produce the promissory note.</p>
<b>File Maintenance</b>	<p>All Freddie Mac files kept in paper format must be clearly marked on the file folder(s) with the nine (9) digit Freddie Mac loan number and bear an exclusive color-coded and clearly identifiable mark. All Freddie Mac files kept in electronic format must be identifiable by the nine (9) digit Freddie Mac loan number. All original promissory notes (“Notes”) and assignments of security instruments for Freddie Mac files referred to the law firm must be handled and maintained in such a manner as to ensure security and confidentiality.</p> <p>Except when original Freddie Mac promissory notes or assignments of security instruments must be handled, such as for submission to a court, or production in discovery, the law firm must store such documents in file folders that contain the same clear identifiable information and color-coded markings on the folders that are described above and that clearly identify the contents as original Freddie Mac promissory notes and/or assignments of security instruments, and these file folders must be stored together in a locked cabinet or other secure location with a minimum two-hour fire protection capability, separate and apart from promissory notes or assignments of security instruments received from other investors, lenders or Servicers. The law firm agrees to provide Freddie Mac, as may be requested from time to time, a statement (including a floor plan map) describing the location in the law firm’s office(s) of all Freddie Mac files, promissory notes, and security instruments.</p>



## Foreclosure Requirements

Once a foreclosure is initiated, your firm must facilitate prompt and efficient completion of the foreclosure proceedings and acquisition of clear and marketable title, including conducting the foreclosure in a way that will expedite an eviction of the tenant or borrower.

Foreclosure Requirements	
<b>General</b>	<p>The Servicer will be your daily contact on Default Legal Matters, including individual foreclosure and bankruptcy cases.</p> <p>Freddie Mac has specific expectations and requirements that apply to all foreclosure processes. These requirements must be built into your internal processes to ensure compliance with the LRA and the Guide. Refer to Guide Exhibit 83, Freddie Mac State Foreclosure Timelines.</p> <p>Where there is a choice between judicial or non-judicial foreclosure processes, the Servicer must choose the non-judicial process. If, however, the Servicer determines that a judicial foreclosure will preserve the right to pursue a deficiency judgment and/or is in Freddie Mac’s best interest, the Servicer may instruct your firm to proceed judicially, subject to other considerations. It is the Servicer’s responsibility to provide your firm with direction on how to proceed.</p> <p>If your firm requires any additional information or documentation to handle the matter, the Servicer must respond to your request <b>within three (3) business days or sooner</b>, if circumstances warrant.</p>
<b>Prerequisite Knowledge</b>	<p>Anyone at your firm who manages or supports foreclosure actions on Freddie Mac-owned or guaranteed mortgages must have a comprehensive grasp of:</p> <ul style="list-style-type: none"> <li>• The laws regarding standing and real party interest, in the jurisdiction(s) in which your firm conducts foreclosures and other default-related legal services;</li> <li>• The UCC provisions related to enforcing Notes; and</li> <li>• The distinction between the “holder” of a Note and the “owner” of a Note, and any jurisdictional variations to the customary meaning of those terms.</li> </ul> <p>You must also remember – with respect to each Freddie Mac loan referred to your firm:</p> <ul style="list-style-type: none"> <li>• Freddie Mac is always the owner of the Note.</li> <li>• Your firm should not refer to a Servicer as the “owner” of a Freddie Mac Note or otherwise suggest that the Servicer is the “owner” of a Freddie Mac loan in any pleading, communication, or correspondence.</li> </ul>
<b>Referring to Freddie Mac</b>	<p>When handling Default Legal Matters and Freddie Mac is a named party in the action, Freddie Mac must be referred to as the “Federal Home Loan Mortgage Corporation (‘Freddie Mac’), a corporation organized and existing under the laws of the United States of America.” You may <b>not</b> refer to Freddie Mac as a government agency.</p>

Preparing for First Legal Action – Note	
<b>Named Plaintiff</b>	Foreclosure proceedings must normally be processed or litigated in the name of the Servicer. Refer to Guide Section 9301.12, Foreclosing in the Servicer’s Name, for guidance on when the Servicer may instruct your firm to pursue a foreclosure proceeding in Freddie Mac’s name and for any other potential approval and notification requirements which may include providing a copy of any draft pleadings to <a href="mailto:Nonroutine_Litigation@freddiemac.com">Nonroutine_Litigation@freddiemac.com</a> , <b>prior to</b> foreclosure.
<b>Note Endorsements</b>	Freddie Mac requires its Notes to be endorsed in blank, thus making them bearer paper (if permitted in your jurisdiction). If your firm receives a Note that is NOT endorsed in blank, you must escalate to <a href="mailto:Legal_Escalations@freddiemac.com">Legal_Escalations@freddiemac.com</a> .
<b>Custodian of Freddie Mac Notes</b>	<p>The Servicer can obtain possession of Freddie Mac’s Note. See Guide Section 8107.1(b).</p> <p>Thus, the document custodian of the Note may be the Seller/Servicer’s trust department, a third-party affiliate or subsidiary of the Seller/Servicer, or another entity designated by Freddie Mac, as detailed in Guide Section 2202.2 and 8107.1(b).</p> <p>When the Note is held in custody by a party other than Freddie Mac’s Designated Custodian, all parties involved (Freddie Mac, the Seller/Servicer, and the custodian) execute a Tri- Party Agreement, a custodial agreement specifying that ownership remains vested in Freddie Mac and outlining the circumstances under which the Note may be delivered to the Seller/Servicer.</p>
<b>Presumption Note is Not Lost</b>	At the time your firm receives the referral, the original Note should be in possession of either Freddie Mac’s Document Custodian or the Servicer. The law firm must presume that the original Note exists and make a diligent effort to obtain the original or a copy of the Note as may be needed for foreclosure. The law firm should prepare and rely upon a lost note affidavit <b>only</b> if these efforts fail to produce the Note.

Preparing for First Legal Action – Security Instrument	
<b>Mortgages Registered with MERS</b>	<p>If the Servicer is foreclosing on a mortgage registered with the Mortgage Electronic Registration System (“MERS”), it is the Servicer’s responsibility to prepare and execute an assignment of the Security Instrument from MERS to the Servicer prior to commencing foreclosure.</p> <p>Your firm will ordinarily conduct foreclosure in the Servicer’s name and take title in Freddie Mac’s name. As noted above, refer to Guide Chapter 9301.12, Foreclosing in the Servicer’s Name, for guidance.</p>
<b>Requisite Assignments of Mortgage</b>	<p>Freddie Mac requires the Servicer to be the record mortgagee or record beneficiary of the deed of trust (except for loans registered in the MERS system).</p> <ul style="list-style-type: none"> <li>• All necessary assignments should be executed prior to commencing a foreclosure and recorded when required by state law prior to filing first legal action.</li> <li>• Once an assignment of the Security Instrument to Freddie Mac has been recorded, the Security Instrument must be assigned back to the Servicer before your firm initiates the first legal action.</li> </ul>

**Preparing for First Legal Action – Title Issues**

**Title Issues**

Immediately upon receiving a foreclosure referral, identify and report any title defects or clouds on title to the Servicer. Examples of defects include: title search reveals a senior lien, incorrect legal description, improperly executed documents (e.g., notary errors), ingress/egress problems, missing assignments, or releases.

If no title policy exists or a title claim is denied, escalate to [Nonroutine Litigation@freddiemac.com](mailto:Nonroutine_Litigation@freddiemac.com).

Communicate with the Servicer regarding title issues in the event the title insurance company properly declines to accept the claim, and arrange for the Servicer to reimburse your firm for any legal fees incurred.

<b>Foreclosure Complaint – Preserving Lender’s Rights</b>	
<b>Timely Filing of Foreclosure Complaint</b>	<p>We want your firm to file the first legal action as soon as you reasonably can, taking into account any applicable legal requirements for your state. Obtain copies of the Note and assignments quickly so as not to delay the foreclosure.</p>
<b>Right to Deficiency</b>	<p>Servicers should instruct your firm to ask the court to preserve Freddie Mac’s right to deficiency actions in all instances where the foreclosure timeline will not be extended or additional fees/costs will not be incurred above the approved expense limits set forth in Exhibit 57A, <i>Approved Attorney Fees and Title Expenses</i>. Freddie Mac will determine, after the foreclosure sale, whether to bring the action on a case-by-case basis.</p> <p>If preserving Freddie Mac’s right to pursue deficiency actions will extend the foreclosure timeline or incur additional fees/costs above the approved expense limits set forth in Exhibit 57A, <i>Approved Attorney Fees and Title Expenses</i>, but the Servicer believes it is in Freddie Mac’s best interest to do so, the Servicer must recommend incurring additional attorney fees to perfect Freddie Mac’s rights to pursue a deficiency action. The Servicer must seek approval from Freddie Mac and, if approved, the Servicer will notify your firm as to how to proceed.</p>

Best Practices	
<b>Skip Trace</b>	As needed, order a skip trace or locator search to facilitate personal service of process. Your firm may use a search company that performs timely and provides quality results.
<b>Special Process Servers</b>	Use special process servers instead of sheriffs to expedite service in any county (if permitted in your jurisdiction), where doing so will expedite service of process at little or no additional cost.
<b>Document Settlements</b>	If the Servicer is successful in its loss mitigation efforts with the borrower after the first legal action has been completed, document partial reinstatements and loan modifications so that the foreclosure action may be resumed where it was suspended, in the event the borrower defaults. Your firm must also include language in any loss mitigation document waiving the right to another pre-acceleration breach notice.
<b>Occupancy Status</b>	<p>Verify occupancy status to facilitate early communication with the borrower. Coordinate with posting or service-of-process agents and the Servicer to try to determine the property’s occupancy status at the beginning of and throughout the foreclosure process to allow your firm to take appropriate steps to shorten the redemption period or expedite the foreclosure if the property is vacant or abandoned, if allowed in your jurisdiction.</p> <p>Start communicating with the borrower and/or the borrower’s attorney immediately:</p> <ul style="list-style-type: none"> <li>▪ Provide them with alternatives to foreclosure (e.g., cash for keys, reinstatement, workout, or short sale).</li> <li>▪ Verify occupancy to ensure that all occupants are named in the complaint, judgment, and/or subsequent orders so as to assist with eventual efforts to secure possession.</li> </ul>

<b>Foreclosure Sale Requirements</b>	
<b>Foreclosure Sale Notice</b>	<p>In preparing the Foreclosure Sale Notice, your firm should include the following statement, or substantially similar language, in your foreclosure sale notice (if permitted by your jurisdiction's law and foreclosure practice):</p> <p style="text-align: center;"><b>"If the sale is set aside, the Purchaser may be entitled to only a return of the sale deposit less any applicable fees and costs and shall have no other recourse against the Mortgagor, the Mortgagee or the Mortgagee's attorney."</b></p>
<b>Conduct Foreclosure Sale at the Next Available Date</b>	<p>Your firm should take whatever reasonable actions are necessary to complete the foreclosure at the first available sale date. Please note – per Guide Chapter 9301, your firm will receive bidding instructions directly from the Servicer.</p>
<b>Reporting Sale Results</b>	<p>Your firm should communicate sales results to the Servicer via the Servicer's portal and/or process, and to Freddie Mac via the Attorney Data Reporting system (ADR) <b>within 12 hours of the sale.</b></p> <p>Please be aware that the Servicer must report all sales results to Freddie Mac <b>within 24 hours of the sale</b> and are penalized \$100/day for each day the foreclosure sale is not reported correctly. Therefore, it is imperative that your firm timely and accurately report sales results to the Servicer.</p>
<b>Sale Postponements</b>	<p>If there is a need to postpone a foreclosure sale, your firm must contact the Servicer. Servicers have delegated authority from Freddie Mac to postpone any foreclosure sale if they have determined that doing so will protect Freddie Mac's interests. All sale postponements should be fully documented in all systems, including ADR, detailing why the postponement was necessary and including supporting documentation from the Servicer.</p>
<b>Rescinding a Foreclosure Sale / Rollback / Third-Party Sale</b>	<p>If there is a need to rescind a foreclosure sale, you must contact the Servicer. The Servicer is responsible for submitting a request to Freddie Mac for rollback approval.</p> <p>In the event the request for rescission involves a sale to a third-party, your firm must also notify Freddie Mac Legal at <a href="mailto:Legal_Escalations@freddiemac.com">Legal_Escalations@freddiemac.com</a>. Your firm should await instruction from Freddie Mac Legal as to how to proceed once Freddie Mac has responded to the Servicer's sale rescission request.</p>

Title Post Sale	
<b>Transferring Title to Freddie Mac</b>	<p>Where appropriate, your firm should either enter foreclosure sale bids in Freddie Mac's name or assign the Servicer's bid to Freddie Mac.</p> <p>When Freddie Mac or the Servicer is the purchaser of the property at a foreclosure sale, your firm should ensure that Freddie Mac is provided clear and marketable title to the property, free of any liens, claims, defects and encumbrances, and that title to the property is vested to the appropriate party in accordance with Guide Section 9301.41.</p>
<b>Time Delay before Recording Deed</b>	<p>Upon the transfer of title following foreclosure sale, your firm must submit the foreclosure deed for recordation within one (1) business day of the foreclosure sale, obtain the recorder's receipt evidencing the submission, and send the recorder's receipt to the Servicer within three (3) business days. Your firm must maintain a copy of the deed in your file.</p> <p>If title transfers after the foreclosure deed is recorded, unless instructed otherwise in writing by Freddie Mac, your firm must record the deed as soon as possible.</p>



## Bankruptcy Requirements

Your law firm must protect Freddie Mac's interests during bankruptcy proceedings, including responding to cramdown requests and filing motions for relief of the automatic stay.

If a borrower files for bankruptcy prior to or during the foreclosure process, your law firm may receive a case referral. Unless the property is located in a jurisdiction other than where the bankruptcy is filed, your law firm will likely handle the bankruptcy on all foreclosures referred to your firm. You will also likely handle the foreclosure, if any, on all bankruptcies referred to your firm.

Bankruptcy Requirements	
<b>Automatic Stay</b>	<p>There are several requirements that the Servicer and your firm must follow when working on bankruptcy matters. Please refer to Guide Chapter 9401 for additional guidance given to Servicers regarding handling bankruptcies on Freddie Mac loans.</p> <p>We expect your firm to take all actions allowed by your local bankruptcy court to collect all bankruptcy-related fees and costs in bankruptcy or in subsequent foreclosure actions. You may not waive the right to collect such fees without the advance written permission of Freddie Mac's Legal Division. Such requests should be sent to <a href="mailto:Nonroutine.Litigation@freddiemac.com">Nonroutine.Litigation@freddiemac.com</a>.</p> <p>Your firm must file a motion for relief from the automatic stay:</p> <ul style="list-style-type: none"> <li>• In a Chapter 7 bankruptcy case, upon receipt of referral.</li> <li>• In a Chapter 11, 12 or 13 case, when the borrower misses the second post-petition and/or planned payments to either the Servicer or the Trustee.</li> </ul> <p>If applicable, counsel must resume foreclosure proceedings immediately upon stay relief.</p>

<p><b>Cramdown</b></p>	<p>If the borrower's proposed reorganization plan includes a cramdown, we require the Servicer to notify Freddie Mac by submitting Form 1155, Bankruptcy Cramdown Pre-Confirmation Proposal of Settlement Terms, to <a href="mailto:NPL_File_Prep@freddiemac.com">NPL File Prep@freddiemac.com</a>. Freddie Mac must receive this form within one (1) business day of receipt of the plan.</p> <p>The Servicer should direct your firm to file an objection to the proposed reorganization plan, asserting that the plan may not modify the original Security Instrument and Note by means of a bankruptcy cramdown.</p> <p>Your firm is also required to notify Freddie Mac in the event of a bankruptcy cramdown via email to <a href="mailto:Nonroutine_Litigation@freddiemac.com">Nonroutine Litigation@freddiemac.com</a> and <a href="mailto:Distressed_Property@freddiemac.com">Distressed Property@freddiemac.com</a>. Freddie Mac will review the feasibility of litigation and work with the Servicer and your law firm to determine the appropriate course of action.</p>
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**Multiple Filings**

When dealing with a borrower who has filed bankruptcy multiple times, the Servicer is required to take action in accordance with Guide Section - 9401.4 - Multiple Bankruptcy Filings. When the Servicer receives notice of a borrower filing a petition for protection under the bankruptcy laws, the Servicer must check its mortgage records to determine if the borrower has previously filed for bankruptcy protection. If the Servicer's records disclose a previous bankruptcy filing for that borrower, and the mortgage is delinquent, the Servicer must refer the bankruptcy case to previous counsel.

For borrowers with multiple bankruptcy filings that are more than 12 months apart, the Servicer will direct the previous law firm to take appropriate action. Examples include:

- Motion to annul the automatic stay to confirm foreclosure sale if the Servicer was unaware that the borrower had filed for bankruptcy and the Servicer had conducted a foreclosure sale.
- Motion to dismiss the bankruptcy case if it can be shown that there has been no substantial change in the borrower's financial circumstances since the last bankruptcy filing, or it can be shown the borrower has no prospect of repayment under a reorganization plan.
- Object to the confirmation of a Chapter 13 plan and a motion to dismiss in connection with a Chapter 13 bankruptcy in which the reorganization plan appears to be infeasible, offered in bad faith, or it can be shown that there has been no substantial change in the borrower's financial circumstances since the last bankruptcy filing.
- Motion for "in rem" relief or 180-day bar to prevent the borrower from filing another bankruptcy case in the future affecting the property securing Freddie Mac's mortgage when there are successive filings with a scheme of fraudulent property transfers.
- Any other actions as deemed appropriate and permitted under the *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005*.

For borrowers with a bankruptcy filing within 12 months of the previous filing, the Servicer may direct your firm to:

- Object in the event that the borrower petitions to extend the automatic stay when:
  - The borrower's bankruptcy is presumptively filed not in good faith under the Bankruptcy Code;
  - The Servicer believes that the filing was offered in bad faith; or
  - There has been no substantial change in the borrower's financial circumstances since the last bankruptcy filing.

Conduct any other actions as deemed appropriate and permitted under the *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005*.

## Litigation Requirements

Your law firm must protect Freddie Mac’s interest in all litigation involving a Freddie Mac loan by appropriately managing such matters. Your firm must follow the key requirements and guidelines set forth regarding the handling of litigation, including but not limited to, notification, reporting and approval requirements.

Litigation Requirements	
<b>Right to Control Litigation</b>	Freddie Mac reserves the right to direct and control all litigation involving a Freddie Mac loan, regardless of whether Freddie Mac is a named party. The Servicer and any law firm handling the litigation must cooperate fully with Freddie Mac in the prosecution, defense, or handling of the matter.
<b>Service of Process</b>	Your law firm may not accept service of process on behalf of Freddie Mac unless the law firm obtains prior written approval specific to the case.
<b>Litigation Approval</b>	<p>Your law firm must obtain written approval from Freddie Mac prior to asserting certain legal positions, including those that relate to Freddie Mac’s Charter, such as:</p> <ul style="list-style-type: none"> <li>• removing a case to federal court;</li> <li>• appealing or otherwise challenging a judgment in any foreclosure, bankruptcy proceeding, or any other case in which Freddie Mac is a named party;</li> <li>• intervening in a legal action on Freddie Mac’s behalf; and</li> <li>• asserting any position that relates to Freddie Mac’s status as a Government Sponsored Enterprise.</li> </ul>
<b>Pleading Review Requirements</b>	<p>Prior to the filing of any proposed substantive pleading, which includes complaints, motions, replies, briefs, and discovery responses, regardless of whether such responses are filed with a court, the law firm must provide Freddie Mac with sufficient time to review, comment and approve such pleadings. Accordingly, the law firm must send pleadings to Freddie Mac no less than <b>five (5) business days</b> in advance of any deadline or due date. Additional consideration as to time should be provided in circumstances in which responses or filings require written verification by Freddie Mac.</p> <p>In instances in which <b>five (5) business days</b> advance notice is not possible due to jurisdiction specific requirements or unforeseen delays outside of the firm’s control, the firm must take every step to provide Freddie Mac with as much time as possible to review and approve pleadings.</p>

<b>Litigation Requirements (cont'd)</b>	
<b>Definition of Routine and Non-Routine Litigation</b>	<p><b>Routine litigation</b> generally involves contested default-related actions in which the borrower alleges case-specific defenses or issues which, if successful, would not create negative legal precedent beyond the immediate case.</p> <p><b>Non-routine litigation</b> generally involves contested default-related actions in which the borrower alleges case-specific defenses or issues which, if successful, would create negative legal precedent beyond the immediate case.</p>
<b>Actions in Freddie Mac's Name</b>	<p>The firm may not initiate non-routine legal actions in Freddie Mac's name without prior written consent.</p>
<b>Non-Routine Litigation Notification Requirements</b>	<p>Your firm must provide notification of any non-routine litigation matters as defined in Section 10 of the Retention Agreement via email to <a href="mailto:Nonroutine.Litigation@freddiemac.com">Nonroutine.Litigation@freddiemac.com</a>. Such matters include, but are not limited to, contested matters which have the following additional characteristics or allegations:</p> <ol style="list-style-type: none"> <li>1. Actions that name Freddie Mac as a party.</li> <li>2. Actions that seek monetary relief against Freddie Mac, including any claim (e.g., counterclaims, cross-claims, or third-party claims in foreclosure or bankruptcy actions) for damages against Freddie Mac or its officers, directors, or employees.</li> <li>3. Actions that challenge the validity, priority, or enforceability of a Freddie Mac loan or seek to impair Freddie Mac's interest in a Real Estate Owned ("REO") property and the handling of which is not otherwise addressed in the Guide such as: <ul style="list-style-type: none"> <li>• actions seeking to demolish a property as a result of a code violation;</li> <li>• actions seeking to avoid a lien based on a failure to comply with a law or regulation;</li> <li>• attempts by a junior lienholder to assert priority over Freddie Mac's mortgage or extinguish Freddie Mac's interests;</li> <li>• a quiet title action seeking to declare Freddie Mac's lien void; and</li> <li>• attempts by a borrower to effect a cramdown of a mortgage in bankruptcy, as to which Freddie Mac has not delegated authority to the Servicer or law firm to address.</li> </ul> </li> <li>4. Actions that present an issue that may pose legal or reputational risk to Freddie Mac, such as: <ul style="list-style-type: none"> <li>• any issues involving Freddie Mac's conservatorship or its conservator, the Federal Housing Finance Agency (FHFA);</li> <li>• any issues involving Freddie Mac's status as a federal instrumentality, or an interpretation of Freddie Mac's charter;</li> <li>• any contentions that Freddie Mac is a federal agency or otherwise part of the United States Government;</li> </ul> </li> </ol>

- any “due process” or other constitutional challenge;
- any challenge to the methods by which Freddie Mac does business;
- any putative class actions involving a Freddie Mac loan;
- a challenge to the standing of the Servicer to conduct foreclosures or bankruptcies which, if successful, could create negative legal precedent with an impact beyond the immediate case;
- challenges to the methods by which the Mortgage Electronic Registration Systems, Inc. (MERS) does business or its ability to act as nominee under a mortgage;
- any “show cause orders” or motions for sanctions relating to a Freddie Mac loan, whether against Freddie Mac, the Servicer, the law firm, or a vendor of Freddie Mac, the Servicer or law firm;
- foreclosures on Indian tribal lands;
- any environmental litigation relating to a Freddie Mac loan;
- a need to foreclose judicially in a state where non-judicial foreclosures predominate;
- any claim invoking HAMP as a basis to challenge a foreclosure;
- any claim brought by a governmental body;
- cross-border insolvency proceedings under Chapter 15 of the Bankruptcy Code;
- any claim of predatory lending or discrimination in loan origination or servicing;
- any claim invoking the Ability-to-Repay Rule as a civil claim or as a basis to challenge a foreclosure; and
- any claim implicating the interpretation of the terms of the Fannie Mae/Freddie Mac Uniform Mortgage Instruments.

Any other contested matter which raises significant, unusual or novel allegations. The list above is illustrative and not exhaustive.

## Other Helpful Information

Other Helpful Information	
<b>Non-Routine Notification Details</b>	In the notification to Freddie Mac, your firm must include the name, address, phone number and e-mail address of the attorney that will handle the matter, along with a brief summary of the matter, including but not limited to, the issues presented, the Freddie Mac loan number, docket number, case caption, court, and a copy of any relevant pleadings.
<b>Reporting</b>	<p>Your firm must enter your foreclosure or bankruptcy referral into the Attorney Data Reporting (ADR) system within 24 hours of receipt. Your firm must also keep Freddie Mac up-to-date on the progress of the default-related legal matter by posting updates in ADR regarding the processing of Foreclosure and Bankruptcy milestones within 24 hours of completion.</p> <p>Law firms must also report additional litigation detail when a Litigation Hold is selected in ADR, including the status of the litigation, whether Freddie Mac is a named plaintiff or defendant, and whether the litigation involves certain claims.</p>
<b>Default-Related Legal Services Web Page</b>	<a href="#">Default-Related Legal Services - Freddie Mac Single-Family</a>
<b>Attorney Data Reporting (ADR) Web Portal</b>	<a href="https://www.freddiemacadr.com">https://www.freddiemacadr.com</a>
<b>Mailboxes</b>	<p>For other inquiries or reporting, you may reach Freddie Mac via the following topic-specific email accounts:</p> <ul style="list-style-type: none"> <li>▪ Default Legal Matters Escalation reporting and inquiries: <a href="mailto:Legal_Escalations@freddiemac.com">Legal_Escalations@freddiemac.com</a></li> <li>▪ Non-routine litigation reporting and inquiries: <a href="mailto:NonRoutine_Litigation@freddiemac.com">NonRoutine_Litigation@freddiemac.com</a></li> <li>▪ Real estate owned and eviction matter inquiries: <a href="mailto:REO_Legal_Matters@freddiemac.com">REO_Legal_Matters@freddiemac.com</a></li> <li>▪ Inquiries about Limited Retention Agreement and on-boarding: <a href="mailto:Legal_RetentionAgreement@freddiemac.com">Legal_RetentionAgreement@freddiemac.com</a></li> </ul> <p>Please select only one email account to send an inquiry or report. If the wrong email account is used, your email will be directed to the appropriate email address.</p>