

Sell for Securities: Frequently Asked Questions

These frequently asked questions will assist you when selling mortgages through our Guarantor and MultiLender Swap executions and will help you better understand some of the delivery requirements.

SECURITY WIRE INSTRUCTIONS	
How do I set up security wire instructions for Guarantor/MultiLender Swap Pools/Contracts in Loan Selling Advisor®?	Refer to Loan Selling Advisor Help topic: Setup Security Wire Instructions (by Setup Administrator) .
Can I add or modify security wire instructions for contracts in a Settlement Locked state?	<p>Yes. However, if new security wire instructions are added and there are pledged mortgages in the contract, this action will invalidate Guide Form 996E, and you will:</p> <ul style="list-style-type: none">• Build a new Guide Form 996E• Expire the current security wire instructions <p>Next, the individuals assigned to the user roles noted below must do the following:</p> <ul style="list-style-type: none">• The Setup Administrator would need to create new security wire instructions• The Setup Manager would need to:<ul style="list-style-type: none">○ Expire the invalid security wire instructions○ Approve the new security wire instructions• The Security Wire Assigner would need to assign the applicable wire instructions to the contract <p>All actions above must be finalized not later than 12:30 p.m. EST on the Business Day before the Settlement Date to ensure that your settlement happens on time.</p>
How does a wire work when there is a Warehouse Lender relationship?	Make sure your Warehouse Lender and broker/dealer understand how the final wiring of the security works. Refer to Help topic About the Security Wire and the Guarantor Security Wire Instructions tutorial.
PRICING	
Why can't I create a contract in Loan Selling Advisor?	If your Pricing Identifier Terms have not downloaded into the system, you will not be able to create a contract or request a rate sheet, and you will receive a pricing error.



<p>What is a rate sheet, and how can I access it?</p>	<p>The rate sheet contains your Pricing Identifier (PI) terms, your other loan purchase eligibilities, your PI number, your buyup and buydown grids and your Pricing Day information. You can have multiple PIs; and if you do, you will have a rate sheet for each PI.</p> <p>Rate sheets are only available in Loan Selling Advisor, and they can be accessed at any time.</p> <p>Refer to the Guarantor Rate Sheets tutorial to learn more.</p>
---	--

<p>How do I create a contract in Loan Selling Advisor?</p>	<ul style="list-style-type: none"> • You can manually create a contract or import a contract. Refer to the Manually Create or Import Guarantor Contracts tutorial to learn more. • If you import contracts, you must use this XML specification: Import Guarantor Contracts XML Format Interface Specification. • Make sure your staff has the correct user roles to create and modify contracts to access rate sheets: Guarantor SMO, Secondary Analyst and Guarantor Rate Sheet. Roles can be assigned in Access Manager. • Visit the Mortgage Securities web page for information on Prefix's and disclosure requirements. <div data-bbox="516 936 789 1415" style="border: 1px solid #ccc; padding: 5px; margin-top: 10px;"> <p>Popular Documents & Links</p> <p>LIBOR Transition Page</p> <p>Prefix Library</p> <p>Prefix Library Explainer</p> <p>Open MultiLender Report</p> <p>Pool Payment Calculations</p> <p>Holiday Schedule</p> <hr/> <p>Disclosure Resources</p> <ul style="list-style-type: none"> • Disclosure File Directory • Single Family Disclosure Guide • Pool Disclosure Calculations • Pool-Level Disclosure Glossary • Loan-Level Disclosure Glossary • Multifamily Disclosure Guide </div>
--	---

SERVICING OPTIONS

<p>What are the servicing options for Guarantor and MultiLender Contracts?</p>	<ul style="list-style-type: none"> • Retained – The Seller sells the Mortgage to Freddie Mac and agrees to service the Mortgages in accordance with the Guide and applicable Purchase Documents. • CTOS (Concurrent Transfer of Servicing used only for Co-Issue XChange®) – A Transfer of Servicing initiated by a Seller as Transferor Servicer to a Transferee Servicer that occurs, subject to prior Freddie Mac approval, concurrently with Freddie Mac's purchase of a Mortgage on the Settlement Date. In each instance, the Mortgage is delivered for certification to the Servicer's Document Custodian.
--	---



	<ul style="list-style-type: none"> Note: While a Concurrent Transfer of Servicing occurs with both the Co-Issue XChange® and Cash-Released XChange® sales execution paths; Cash-Released XChange is not used when selling Mortgages for securities and both execution paths use different Transfer of Servicing Agreements to affect the CTOS. <p>Refer to the Servicing Options for Guarantor and MultiLender Contracts tutorial to learn more.</p>
What information or forms are required for CTOS (Co-Issue XChange®)?	Submit Guide Form 960, Agreement for Concurrent Transfer of Servicing of Single-Family Mortgages . This document must be completed and executed by the Seller (Transferor Servicer) and the Servicer (Transferee Servicer) and submitted in advance to Freddie Mac for approval for Co-Issue XChange.
996E	
Why can't I build Form 996E ?	<p>This usually means that wire instructions have not been assigned to the contract by the Security Wire Assigner user role. To ensure security wire instructions are saved in Loan Selling Advisor:</p> <ul style="list-style-type: none"> Go to the Contract Details page and click View/Assign Wire Instructions. Make sure the Wire Amount is set to the final allocated loan UPB. Click ADD WIRE. Click SAVE SECURITY WIRE INSTRUCTIONS.
BUYUP/BUYDOWN (BUBD)	
Can I download the BUBD grid before I create a contract?	Yes. BUBD grid prices are available in your rate sheet. Simply create a rate sheet, select your parameters, and receive pricing. Refer to the Guarantor Rate Sheets tutorial.
How do I calculate the BUBD amounts?	Refer to the Buyups and Buydowns for Fixed-Rate Guarantor and MultiLender Contracts tutorial and this calculator designed to help you calculate buyup, buydown and ANY amounts for Guarantor Contracts sold through Loan Selling Advisor.
I created a contract with the BUBD, but I cannot allocate loans to it. Why?	<p>Here are possible reasons why the loan(s) cannot be allocated to the contract:</p> <ul style="list-style-type: none"> Pricing is not loaded. If the Credit Fee Yield (BPS) data field is blank, it means that pricing has not been downloaded. This data field is on the Contract Details page.



	<p>Pricing Information</p> <p>View Pricing Details</p> <table border="1" data-bbox="581 422 1382 562"> <thead> <tr> <th>CREDIT FEE YIELD (BPS)</th> <th>CREDIT FEE PRICE (BPS)</th> <th>CREDIT FEE FIXED DOLLAR (\$)</th> </tr> </thead> <tbody> <tr> <td></td> <td>0.000</td> <td></td> </tr> </tbody> </table> <p>Be sure to review the Contract Details page section BUBD Options. See example below:</p> <table border="1" data-bbox="553 667 1398 758"> <tr> <td colspan="2">BUBD Options</td> </tr> <tr> <td>BUYUP / BUYDOWN PROGRAM: Note Level</td> <td>BUY UP / BUY DOWN OPTION: Neither Buy up nor Buy down</td> </tr> <tr> <td colspan="2">Buyup and/or Buydown grid ratios applicable for this contract are not available at this time. A Live BU/BD Contract must be requested.</td> </tr> </table> <ul style="list-style-type: none"> • If the BUYUP / BUYDOWN PROGRAM is Note Level, you must not allocate loans that contain the ULDD data points of Loan Buyup Buydown Type (Sort ID 387) and Loan Buyup Buydown Basis Point Number (Sort ID 386). • If the BUYUP / BUYDOWN PROGRAM is Loan Level, the allocated loans must contain the ULDD data points of Loan Buyup Buydown Type (Sort ID 387) and Loan Buyup Buydown Basis Point Number (Sort ID 386). Your BUBD must be accurate for the combination of the security coupon of the contract and note rate of the mortgage. • The Servicing Spread for the contract is greater than 50 basis points (bps) for a fixed-rate or MultiLender Swap. 	CREDIT FEE YIELD (BPS)	CREDIT FEE PRICE (BPS)	CREDIT FEE FIXED DOLLAR (\$)		0.000		BUBD Options		BUYUP / BUYDOWN PROGRAM: Note Level	BUY UP / BUY DOWN OPTION: Neither Buy up nor Buy down	Buyup and/or Buydown grid ratios applicable for this contract are not available at this time. A Live BU/BD Contract must be requested.	
CREDIT FEE YIELD (BPS)	CREDIT FEE PRICE (BPS)	CREDIT FEE FIXED DOLLAR (\$)											
	0.000												
BUBD Options													
BUYUP / BUYDOWN PROGRAM: Note Level	BUY UP / BUY DOWN OPTION: Neither Buy up nor Buy down												
Buyup and/or Buydown grid ratios applicable for this contract are not available at this time. A Live BU/BD Contract must be requested.													
<p>What ULDD data points are required when importing loans to a Guarantor Contract with Loan-Level Buyup/Buydown?</p>	<p>If the contract is Loan Level and has BUBD, you must deliver the ULDD data points Loan Buyup Buydown Type (Sort ID 387) and Loan Buyup Buydown Basis Point Number (Sort ID 386).</p>												
<p>I have a security coupon of 4% and need to know what interest rates can fit in this pool.</p>	<p>Click on this link to access our Buyups and Buydowns for Fixed-Rate Guarantor and MultiLender Contracts tutorial.</p>												
<p>DOCUMENT CUSTODY / CERTIFICATION</p>													
<p>Can I assign multiple Document Custodians to a contract?</p>	<p>Assigning multiple custodians to a single contract is allowed.</p> <p>Be sure to enter Settlement Details to identify the Document Custodian and the loans for which they are responsible. Build a separate Guide Form 1034E, Customer Certification Schedule for each Document Custodian.</p>												



SETTLEMENT / FUNDING	
What time are Guarantor and MultiLender Swap Contracts settled?	Guarantor and MultiLender Swap Contracts are funded at 8:30 a.m. EST on the Settlement Date you selected.
I have not received the Guarantor security wire; how do I track it down?	Wire tracking for Guarantor Contracts is handled through the Securitization platform. Common Securitization Solutions (CSS) is the clearinghouse Freddie Mac uses. Access Loan Selling Advisor Settlement Statements, Purchase Statement, and Funding Details Report to confirm contracts and loans have funded. To confirm that the wire instructions are correct, send an email to sf_sam@freddiemac.com to request tracking of the wire.
What is the difference between the Final Delivery Date and the Settlement Date?	The Final Delivery Date is the date set forth in Loan Selling Advisor by which all the requirements for the contract must be completed. The Settlement Date is the date when Freddie Mac purchases the mortgages in exchange for Uniform Mortgage-Backed Securities SM (UMBS [®]) or mortgage-backed securities (MBS). This is also known as the Funding Date.
If the Delivery Standards are met prior to the Final Delivery Date, will the contract advance to Settlement Locked?	No. The contract will stay in the Ready to Fund state, and the contract will move to Settlement Locked after 8 p.m. EST on the Final Delivery Date.
When will a contract advance to Settlement Locked?	<p>The Contract Status will reflect Ready to Fund before the Final Delivery Date if all contract and delivery requirements are met.</p> <p>The contract will advance to Settlement Locked on the Final Delivery Date for the contract if all delivery requirements are met by 8 p.m. EST:</p> <ul style="list-style-type: none">• Loan edits are clear.• Notes are certified.• Guide Form 996E is recorded and released by the Warehouse Lender.• Pool Valid status is Yes.• Wire Ready status is Yes.• Contract Status is Ready to Fund. <p>Refer to Tasks for Guarantor Contract Fulfillment.</p>



<p>What are Settlement Cycle Days? (This is a field on the Create Contract page.)</p>	<p>The Settlement Cycle Days are based on Business Days and reflect a time period during which the pool information is broadcast, and the settlement information becomes available. The Settlement Cycle periods for Guarantor Contracts are:</p> <table border="1" data-bbox="516 436 1416 873"> <thead> <tr> <th>Settlement Cycle Days</th> <th>Gold Rush® Fee</th> <th>Contract Type</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Yes</td> <td>MultiLender Only</td> </tr> <tr> <td>2</td> <td>Yes</td> <td>Single Issue Only</td> </tr> <tr> <td>3</td> <td>Yes</td> <td>Single Issue & MultiLender</td> </tr> <tr> <td>4</td> <td>Yes</td> <td>Single Issue & MultiLender</td> </tr> <tr> <td>5</td> <td>No</td> <td>Single Issue & MultiLender</td> </tr> <tr> <td>6 to 15 (Early Pool Disclosure)</td> <td>No</td> <td>Single Issue Only</td> </tr> </tbody> </table> <p>The Settlement Cycle Days count begins the day after the Final Delivery Date and includes the Settlement Date. Refer also to the question below.</p>	Settlement Cycle Days	Gold Rush® Fee	Contract Type	1	Yes	MultiLender Only	2	Yes	Single Issue Only	3	Yes	Single Issue & MultiLender	4	Yes	Single Issue & MultiLender	5	No	Single Issue & MultiLender	6 to 15 (Early Pool Disclosure)	No	Single Issue Only
Settlement Cycle Days	Gold Rush® Fee	Contract Type																				
1	Yes	MultiLender Only																				
2	Yes	Single Issue Only																				
3	Yes	Single Issue & MultiLender																				
4	Yes	Single Issue & MultiLender																				
5	No	Single Issue & MultiLender																				
6 to 15 (Early Pool Disclosure)	No	Single Issue Only																				
<p>Can you modify the contract(s) after the pool Settlement Cycle Days has begun?</p>	<p>After a contract enters the Settlement Cycle, the only data that can be modified is the Contract Name or the Settlement Date.</p>																					
<p>Can you remove a loan that has been paid off during the Settlement Cycle?</p>	<p>You cannot remove a loan from a contract after it has entered the Settlement Cycle except under the following circumstance.</p> <p>You may request a loan to be removed from an Early Pool Disclosure Single-Issue Guarantor Contract if the loan paid off on or after the first day of the Settlement Cycle and up until noon EST, two days prior to the Settlement Date.</p> <p>Contact the Customer Support Contact Center at 800-FREDDIE to request a loan removal.</p> <p>Possible response from Freddie Mac:</p> <ul style="list-style-type: none"> • Freddie Mac will confirm that the paid off loan is eligible to be removed. Seller will be notified when the paid off loan has been successfully removed from the contract. • Seller will be notified if a paid off loan is not eligible for removal, and Seller must void the contract. <p>Customer Support Contact Center hours of operation – 8 a.m. to 7 p.m. EST.</p>																					



<p>What are Gold Rush fees, and how are they calculated?</p>	<p>A Gold Rush fee is charged for contracts with shorter Settlement Cycle Days. For example, Settlement Cycle Days of 1, 2, 3 and 4 days are subject to a Gold Rush fee, and they are disclosed in your Pricing Identifier Terms. Fixed-Rate Guarantor/MultiLender Swap and WAC ARM Guarantor Contracts are subject to Gold Rush fees.</p> <p>Note: The 1-day Settlement Cycle is available only for MultiLender Swap Contracts. The 2-day Settlement Cycle is available only for Single-Issue Guarantor Contracts.</p> <p>How to calculate: Multiply the Gold Rush fee disclosed in your Pricing Identifier Terms and/or rate sheet by the amount listed for the allocated loan UPB on the Summary of Contract Terms/Contract Details page.</p> <p>For example:</p> <table border="1" data-bbox="516 747 1360 953"> <thead> <tr> <th data-bbox="522 751 799 898">Gold Rush Fee in PI Terms/Rate Sheet</th> <th data-bbox="805 751 1081 898">Allocated Loan Unpaid Principal Balance (UPB) (in Contract Details)</th> <th data-bbox="1088 751 1354 898">Gold Rush Fee Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="522 907 799 949">0.0001 X</td> <td data-bbox="805 907 1081 949">\$1,000,000.00 =</td> <td data-bbox="1088 907 1354 949">\$100.00</td> </tr> </tbody> </table>	Gold Rush Fee in PI Terms/Rate Sheet	Allocated Loan Unpaid Principal Balance (UPB) (in Contract Details)	Gold Rush Fee Amount	0.0001 X	\$1,000,000.00 =	\$100.00
Gold Rush Fee in PI Terms/Rate Sheet	Allocated Loan Unpaid Principal Balance (UPB) (in Contract Details)	Gold Rush Fee Amount					
0.0001 X	\$1,000,000.00 =	\$100.00					
<p>What is a guarantee fee and/or Credit Fee in Yield? Are they the same thing?</p>	<p>Yes. For the Guarantor and MultiLender Swap programs, the Credit Fee in Yield is the management and guarantee fee retained by Freddie Mac as specified in the applicable Purchase Documents. The Credit Fee in Yield is assessed and remitted by the Servicer each month.</p>						
<p>How do I access Settlement Statements?</p>	<p>Refer to Help topics: View Settlement Statements and Loan Selling Advisor Funding and Settlement Examples.</p>						
<p>Where can I access the Settlement Date Calendar?</p>	<p>Click this link to access the Settlement Date for Securities. The calendar is based on a rolling 12-month period.</p>						
<p>What is the Daily ACH, and how does it work?</p>	<p>Refer to the Understanding the Daily ACH Process job aid to learn more and the Tips for Using the Daily Automated Clearinghouse (ACH) Schedule tutorial.</p>						
<p>How do I read the Settlement Date Calendar?</p>	<p>Refer to the Tips for Using the Settlement Dates for Securities Calendar tutorial.</p>						



<p>Can I modify the Settlement Date/Settlement Cycle Days?</p>	<p>Yes. The Settlement Date can be modified if it occurs in accordance with the Settlement Date Schedule. Make sure the number of Settlement Cycle Days is sufficient to meet the modified Settlement Date.</p> <p>Single-Issue Guarantor Contracts with Settlement Dates that cross to the next month must be updated to show the projected (next month's) UPB for the allocated loans.</p> <p>MultiLender Swap Pools must be settled by the specified Settlement Date for the coupon.</p>
<p>Is there a fee to cancel/void a Guarantor/MultiLender Swap Contract?</p>	<p>No. The Seller is not required to fulfill the contract and can void the contract at any time without a penalty.</p>
<p>I am unable to meet delivery requirements by 8 p.m. EST on the Final Delivery Due Date. What are my options?</p>	<p>To settle the contract in the same settlement month, you can modify the contract and shorten the Settlement Cycle or change the Settlement Date in accordance with the Freddie Mac Settlement Date Calendar.</p>
<p>Why modify the Settlement Date?</p>	<p>The Final Delivery Date was missed, and the Seller does not want to do a Gold Rush.</p>
<p>How does Guarantor billing work, and what type of fees display on the Seller's bill?</p>	<p>Sellers receive monthly invoices online through Freddie Mac's eBill tool, an electronic portal to view and retrieve invoices as soon as they are available. Access to eBill is obtained through Access Manager. Refer to the eBill Online Help page for more information.</p>
<p>What fees are debited through ACH?</p>	<p>Refer to the Understanding the Daily ACH Process job aid and Guide Chapter 6303: Assessment and Payment of Fees.</p>
<p>POOLS</p>	
<p>When are new security pools visible in Bloomberg.com?</p>	<p>A "Pool" appears on Bloomberg the day after the Final Delivery Date, if the following is true:</p> <ul style="list-style-type: none"> • Contract Status is Ready to Fund by 8 p.m. EST of the Final Delivery Date. • Wire Ready is Yes. • Pool Valid is Yes. Note: If the Pool has been validated and a modification to the contract takes place, the Pool will need to be validated again. • All Notes Certified. <p>Visit the Mortgage Securities web page.</p>



What does it mean to validate the pool?	Contracts must be validated before 8 p.m. on the Final Delivery Date in order for the contract to move into the Settlement Cycle. Use the Validate Pool function in the Contract Details page to perform this step. Pool validation must occur to ensure the amount of the pool meets the minimum requirements per Guide Section 6202.1: Freddie Mac Swap disclosure and pooling requirements . Each time a modification to a loan or contract is performed, the pool must be re-validated. If the status is Yes, the pool has been validated; and if the status is No, the pool has not been validated.
Why does the Pool need to be validated in Loan Selling Advisor?	Pool validation is performed to ensure allocated loans are eligible for the pool. If the Pool Valid status is No, the contract will not enter the Settlement Cycle and the contract status will not advance to Settlement Locked.
Where can I access MultiLender Swap Pool postings?	Click the URL to access MultiLender Swap Pool posting information: http://capitalmarkets.freddiemac.com/mbs/data/FRE_Multilender_Table.txt
When should I void a Pool?	Contracts may be voided while the Contract Status reflects “Accepted,” “Ready to Fund” or “Settlement Locked.” Contracts with a Settlement Locked status must be voided by the business day before the Settlement Date. Contracts that are forward sold (swap and sell) and voided after the contract has entered the settlement cycle (Settlement Locked status) (occurs after 8 p.m. EST on the Final Delivery Date), may be subject to costs due the investor.
IMPORT SPECIFICATION	
Where can I access the specification files?	<ul style="list-style-type: none"> Go to this web page to access Guarantor Contract specifications. Go to this web page to access ULDD Technical Resources such as the import and export specification files. Go to this web page for a list of other Technical Resources.
OTHER	
What is the difference between a Guarantor and MultiLender Swap Contract?	A Guarantor Contract is also known as a Single-Issue Contract and has loans from just one Seller. A MultiLender Swap Contract has loans from multiple Sellers.
Can you modify a Guarantor/Single-Issue Contract to a MultiLender Swap Contract or vice versa?	No. A Guarantor Contract, also known as a Single-Issue Contract, will have loans from just one Seller; a MultiLender Swap Contract will have loans from multiple Sellers. However, you can void either contract or open a new contract under either execution at any time before Settlement Locked status.



Is a Pricing Identifier (formerly known as Master Commitment) required for Guarantor/MultiLender Swap executions?	Yes. A Pricing Identifier (formerly known as Master Commitment) is required to sell loans in exchange for securities through the Guarantor and MultiLender Swap executions.
I AM NEW TO GUARANTOR EXECUTIONS	
I am an approved Seller/Servicer; how do I get set up for the Guarantor/MultiLender Swap execution?	Contact your Freddie Mac Account Executive or Freddie Mac representative. You may also call the Customer Support Contact Center, 1-800-FREDDIE.
I am an approved Seller; how do I get access to Loan Selling Advisor for Guarantor functions?	Use Access Manager to create, manage and provision your users' access to certain Freddie Mac Single-Family sourcing and servicing tools and applications.
What User Roles are required to sell and deliver Guarantor Contracts?	User roles determine a user's authority within your organization to access various pages and perform selected functions within Loan Selling Advisor. You may assign multiple user roles to a single individual. Loan Selling Advisor has defined several user roles. Refer to this Help page for specific functions by user role.
What do I do if I forget my password to Loan Selling Advisor?	Learn how to reset your password via the New Self-Service Password Reset Capability for Single-Family Business Applications web page.
Where can I access training information?	<p>Training and education resources can be found on these web pages:</p> <ul style="list-style-type: none"> • Guarantor Pricing and Contracting in Loan Selling Advisor • Sell for Securities • Freddie Mac Learning / Training and Education • Selling and Delivery Training – Freddie Mac Single-Family • Early Pool Disclosure Fact Sheet [PDF] <p>You may also view the Freddie Mac Learning Glossary for help with terminologies and acronyms.</p>

This information is not a replacement or substitute for the requirements in the *Freddie Mac Single-Family Seller/Servicer Guide* and your other Purchase Documents.

© 2023 Freddie Mac

[Freddie Mac Learning](#)