

Settlement Status Codes Reference Guide

After a workout is approved, continue using the Manager Series Reports, available via the Servicer Performance Profile, to monitor its progress during the settlement process. The Manager Series Reports provide access to detailed settlement status codes that give you additional information about the approved workout. Reviewing and resolving the status codes will help expedite the resolution of your workouts.

This reference guide:

- Explains how to access and view the settlement status codes.
- Identifies each settlement status code, what it means, and how to resolve it.

If you have any questions after reviewing this reference guide, contact your Freddie Mac representative.

Note: These codes are also applicable for short sale workout requests submitted in Workout Prospector® (prior to 8/1/2022) or in Resolve®.

How to Access and View the Settlement Status Codes

You can access and view settlement status codes via the Status Overview loan-level detail reports available in the Manager Series Reports section of the Servicer Performance Profile.

After you log into your Servicer Performance Profile, perform the following steps to access and view settlement status codes:

1. Click the appropriate tile menu to access the Status Overview loan-level detail report you want to view.

The screenshot displays the 'Manager Series Reports' interface with the following data:

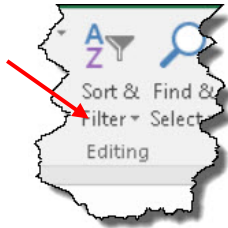
Report Category	Value	Last Update
EDIT ERRORS	1	August 19, 2020
Not Reported Loans	5	
SETTLED (Payment Deferrals)	215 (Standard), 38 (NED), 7 (Disaster)	August 19, 2020
SETTLED (Modifications)	367 (Flex Mod), 261 (Extend), 12 (Other), 9 (DPM)	August 19, 2020
Not Eligible	\$50,900	August 18, 2020
LOANS PAST STANDARD	9,854	August 19, 2020
Days	7,328,254	
SETTLED (Liquidations)	106	August 19, 2020
Past Std	43	
Sale Complete	91	
Not Listed	27	
Pre-Listing	67	

Callout boxes in the image provide instructions:

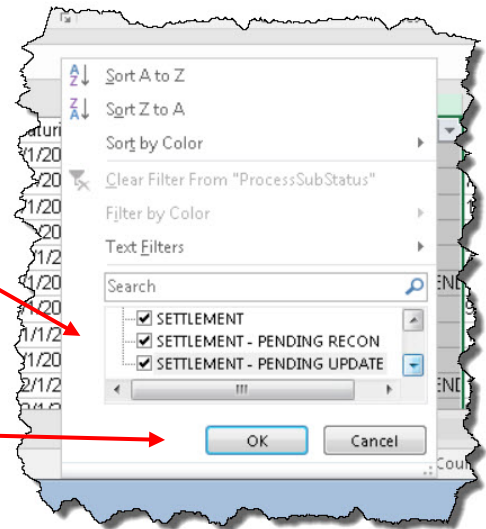
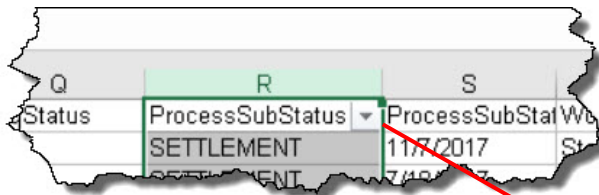
- Access the Modification Status Overview loan-level detail report via this menu. (Points to the 'Modifications' tile menu)
- Access the Liquidation Status Overview loan-level detail report via this menu. (Points to the 'Liquidations' tile menu)



2. Click **Sort & Filter** on the spreadsheet toolbar.

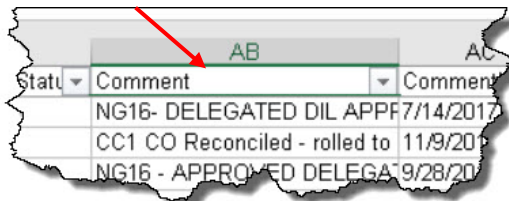


3. Select the Process SubStatus column and filter the data to display only those loans in a settlement status.



Click **OK** after you have identified the filter criteria.

4. Scroll to the Comment column to view the settlement status codes.





Settlement Status Codes

Below is a listing of the most common settlement status codes, categorized by process or workout type. For each settlement status code, a brief description is provided along with the actions you must take for resolution.

File Prep

You may receive the following settlement status codes related to file preparation.

Settlement Status Code and Comment	What it Means	How to Resolve
FP3 Assigned to [insert negotiator's first and last name], File Created.	The loan has been assigned to the negotiator whose name is listed in the comment.	No action is necessary. Wait for the negotiator's decision.
FP4 Documents uploaded in BlitzDocs. Credit Report has been uploaded to BlitzDocs.	Freddie Mac has been notified that a credit report was uploaded to BlitzDocs.	No action is necessary.
FP9 File Sent to Settlement.	Freddie Mac has received settlement documents and submitted them to the settlement team for review.	No action is necessary. Wait for settlement review.

File Management

You may receive the following settlement status codes after Freddie Mac receives your settlement documentation and prepares the workout for reconciliation.

Settlement Status Code and Comment	What it Means	How to Resolve
FM7 Model Released Back to Servicer – MISC [enter specific reason for release] per [insert Servicer contact name from request].	Freddie Mac has cancelled the approved workout per the requestor noted in the comment.	Complete any needed changes and resubmit the workout through Resolve.



Modifications and Payment Deferrals

The following settlement status codes may display for a modification or payment deferral after it has been assigned to a Freddie Mac settlement specialist and is pending reconciliation.

Settlement Status Code and Comment	What it Means	How to Resolve
<p>1M Pre-Mod UPB ERROR RTS: Reported: Not a reported balance.</p>	<p>The Current UPB (pre-modification) reflected on the Loan Modification Settlement screen in Workout Prospector does not match the UPB reported to Freddie Mac as of the end of the last accounting cycle prior to the first modified payment due date.</p>	<ul style="list-style-type: none"> ▪ Verify the UPB your investor reporting area reported to Freddie Mac as of the end of the last accounting cycle prior to the first modified payment due date. ▪ Determine if the error impacts the terms of the modification and if necessary, correct the Modification Agreement and re-execute the documents. ▪ Correct the value on the Loan Modification Settlement screen in Workout Prospector as well as any other values on the screen that changed as a result of a corrected Modification Agreement, then resubmit it to Freddie Mac.
<p>1M UPB ERROR 2 LMTW: Last Reported: Servicer needs to report payment.</p>	<p>The difference between the balance reported on Line 10 of the LMTW and the UPB reported to Freddie Mac as of the end of the last accounting cycle prior to the first modified payment due date, appears to equal one or more principal payment(s).</p>	<ul style="list-style-type: none"> ▪ Verify the balance reported on Line 10 of the LMTW. ▪ Report the payment(s) to Freddie Mac.
<p>1M UPB ERROR 2 RTS: Last Reported: Servicer needs to report payment.</p>	<p>The difference between the Current UPB (pre-modification) reflected on the Loan Modification Settlement screen in Workout Prospector and the UPB reported to Freddie Mac as of the end of the last accounting cycle prior to the first modified payment due date appears to equal one or more principal payment(s).</p>	<ul style="list-style-type: none"> ▪ Verify the Current UPB (pre-modification) reflected on the Loan Modification Settlement screen in Workout Prospector. ▪ Report the payment(s) to Freddie Mac.



Settlement Status Code and Comment	What it Means	How to Resolve
3M P&I Error LMTW: WP:	The P&I Payment reported on Line 3 of the LMTW does not equal the New Mortgage P&I Payment on the Modification Solution screen in Workout Prospector.	<ul style="list-style-type: none">Contact your Freddie Mac Negotiator.
3M P&I Error RTS: WP:	The P&I reported on the Loan Modification Settlement screen in Workout Prospector does not equal the New Mortgage P&I Payment on the Modification Solution screen in Workout Prospector.	<ul style="list-style-type: none">Contact your Freddie Mac Negotiator.
4M Maturity Date/Terms Error LMTW: WP:	The date entered on Line 9, Maturity Date, and/or the value entered on Line 8, Term of Modification, on the LMTW are not in agreement with the Maturity Date and/or Remaining Term data on the Modification Solution screen in Workout Prospector.	<ul style="list-style-type: none">Validate the maturity date and/or the term of modification using the executed Modification Agreement.Correct the appropriate data on the LMTW and resubmit to Freddie Mac.
4M Maturity Date/Terms Error RTS: WP:	The Maturity Date and/or the Term of Modification (In Months) on the Loan Modification Settlement screen in Workout Prospector are not in agreement with the Maturity Date and/or Remaining Term data on the Modification Solution screen in Workout Prospector.	<ul style="list-style-type: none">Validate the maturity date and/or the term of modification using the executed Modification Agreement.Correct the appropriate data on the Loan Modification Settlement screen in Workout Prospector and resubmit to Freddie Mac.
6M Active REO	You have submitted an approved workout for a loan that is in an active REO status. Settlement is awaiting completion of the REO rollback/hold process.	<ul style="list-style-type: none">Monitor the settlement process and wait for the REO rollback to be completed.



Settlement Status Code and Comment	What it Means	How to Resolve
7M REO Rollback requested. All required documents are in hand.	You have submitted a workout for a loan that is in an active REO status. Freddie Mac has received the documentation required for an REO rollback and approved the request.	<ul style="list-style-type: none"> ▪ Ensure that your foreclosure department has completed the appropriate rollback activities. ▪ Monitor the settlement process and wait for the REO rollback to be completed. The REO rollback may require up to three weeks for completion.
8M Interest Overcapitalized by \$ _____ LMTW: FM Calc.: LMTW DDLPI: FM DDLPI:	The value reported on Line 11, Interest from DDLPI to Effective Date of Interest Rate Change, on the LMTW is miscalculated based on data previously reported to Freddie Mac.	Review the payment history and validate the principal balances and take the appropriate action(s): <ul style="list-style-type: none"> ▪ Determine if the error impacts the terms of the modification and if necessary, revise the Modification Agreement reflecting the reduced capitalized amounts and re-execute the documents. ▪ Correct the value on the LMTW and any other LMTW reported values that changed as a result of a corrected Modification Agreement and resubmit it to Freddie Mac. ▪ If necessary, apply a principal curtailment for the amount of overcapitalization, and report to Freddie Mac.
8M Interest Overcapitalized by \$ _____ RTS: FM Calc.: RTS DDLPI: FM DDLPI:	The value reported for Interest from DDLPI to Effective Date of Interest Rate Change on the Loan Modification Settlement screen in Workout Prospector is miscalculated based on data previously reported to Freddie Mac.	Review the payment history and validate the principal balances and take the appropriate action(s): <ul style="list-style-type: none"> ▪ Determine if the error impacts the terms of the modification and if necessary, revise the Modification Agreement reflecting the reduced capitalized amounts and re-execute the documents. ▪ Correct the value on the Loan Modification Settlement screen in Workout Prospector and any other values on the Loan Modification Settlement screen in Workout Prospector that changed as a result of a corrected Modification Agreement and resubmit it to Freddie Mac.



Settlement Status Code and Comment	What it Means	How to Resolve
		<ul style="list-style-type: none"> If necessary, apply a principal curtailment for the amount of overcapitalization, and report to Freddie Mac.
8MU Interest Undercapitalized by \$ _____ LMTW: \$ _____ FM Calc.: \$ _____ RTS DDLPI: _____ CM1 RTS Completed. Mod set to cycle.	The value reported on Line 11, Interest from the DDLPI to the Effective Date of Interest Rate Change, on the LMTW is less than the value Freddie Mac has calculated. The CM1 notation indicates that the loan was set to cycle.	<ul style="list-style-type: none"> No action is necessary.
8MU Interest Undercapitalized by \$ _____ RTS: \$ _____ FM Calc.: \$ _____ RTS DDLPI: _____ CM1 RTS Completed. Mod set to cycle.	The value reported for Interest from the DDLPI to the Effective Date of Interest Rate Change on the Loan Modification Settlement screen in Workout Prospector is less than the value Freddie Mac has calculated. The CM1 notation indicates that the loan was set to cycle.	<ul style="list-style-type: none"> No action is necessary.
9M Modified Note Rate/Step Rate Error LMTW: _____ WP: _____	The value reported on Line 1, Modified Note Rate, or the Interest Rate Adjustment Schedule on the LMTW does not equal the New Interest Rate and/or the Step Rates on the Modification Solution screen in Workout Prospector.	<ul style="list-style-type: none"> Validate the Note Rate on the executed Modification Agreement and contact your Freddie Mac Negotiator for resolution.
9M Modified Note Rate/Step Rate Error RTS: _____ WP: _____	The value reported for the Modified Note Rate, or the Interest Rate Adjustment Schedule on the Loan Modification Settlement screen in Workout Prospector does not equal the New Interest Rate and/or the Step Rates on the Modification Solution screen in Workout Prospector.	<ul style="list-style-type: none"> Validate the Note Rate on the executed Modification Agreement and contact your Freddie Mac Negotiator for resolution.



Settlement Status Code and Comment	What it Means	How to Resolve
11M Miscellaneous	There are several errors that must be resolved before the loan can close. Review the notes appended to this status code to determine what errors are outstanding.	Based on the errors that require resolution, take one of the following actions: <ul style="list-style-type: none"> Contact your Freddie Mac representative or call Customer Support at 800-FREDDIE. OR <ul style="list-style-type: none"> Correct the data on the LMTW and resubmit it to Freddie Mac.
13M Borrower Contribution Error	The amount on Line 16, Amount Held in Suspense/Restricted Escrow, or Line 17, Borrower Cash Contribution to Reduce Capitalization, on the LMTW exceeds the amount Freddie Mac expects.	Review the amounts. Update the comment section in the LMTW to reflect the correct amount. Contact your Home Retention Negotiator if you need assistance with resolving this error.
14M Forbearance Error LMTW: WP:	The amount entered on Line 19, Deferred Non-Interest Bearing UPB, on the LMTW does not equal the Forbearance UPB amount on the Modification Solution screen in Workout Prospector.	Contact your Freddie Mac Home Retention Negotiator.
15M Duplicate Mod	The requested modification appears to duplicate an existing modification.	Contact your Freddie Mac representative or call Customer Support at 800-FREDDIE.

Completed Modifications and Payment Deferrals

The following settlement status codes may display for a modification or payment deferral after it has been reconciled.

Settlement Status Code and Comment	What it Means	How to Resolve
CM1 RTS Completed. Mod set to cycle.	The modification has been reconciled and is set to cycle.	If this settlement status code is displayed on the Modification Status Overview loan-level detail report and indicates a prior cycle, contact your Freddie Mac



		representative or Customer Support at 800-FREDDIE.
--	--	--

Short Sales

The following settlement status codes may display for a short sale after it has been assigned to a Freddie Mac settlement specialist and is pending reconciliation.

Settlement Status Code and Comment	What it Means	How to Resolve
3SS NPL approved \$XXXX.XX MNP. Proceed to settlement.	The workout has been reviewed by Loss Mitigation and is ready for settlement processing.	No action is necessary.
4SS LM Payment to second lien holder exceeded the approved amount. HUD-1 \$ _____ Approved \$ _____ Requires Loss Mitigation review.	The amount paid to the second lien holder is greater than the amount Freddie Mac approved. The workout requires review by the Loss Mitigation team before proceeding with settlement processing.	No action is necessary at this time.
4SS NPL approved additional funds \$XXXX.XX to the second lien holder. Proceed to settlement.	The workout has been reviewed by Loss Mitigation and is ready for settlement processing.	No action is necessary.
11SS Miscellaneous	There are several errors that must be resolved before the loan can close. Review the notes appended to this status code to determine what errors are outstanding.	Correct any outstanding errors and submit any missing documentation to Freddie Mac.
11SS Repurchase loan requiring remedy review—send email to remedy team.	The loan has a repurchase flag that requires additional review before settlement can occur.	No action is necessary.
11SS LM Cash received in California. Advised Servicer to send funds back to the borrower and return proof to Freddie Mac that the funds have been returned to the borrower.	The workout may require review by the Loss Mitigation team before proceeding with settlement processing.	Provide verification that funds were returned to the borrower to proceed with settlement.



Completed Short Sales

The following settlement status code may display for a short sale after it has been reconciled.

Settlement Status Code and Comment	What it Means	How to Resolve
CS1 SS Reconciled. Rolled to GA.	Freddie Mac has reconciled the short sale.	No action is required.

Deeds-in-Lieu of Foreclosure

The following settlement status codes may display for a deed-in-lieu of foreclosure after it has been assigned to a Freddie Mac settlement specialist and is pending reconciliation.

Settlement Status Code and Comment	What it Means	How to Resolve
DL1 No Documents Received.	Freddie Mac has not received the documents required to close the deed-in-lieu. The notes appended to this status code will indicate the missing document(s).	Send the missing documentation to Freddie Mac. For additional information, refer to the <i>Deed-in-Lieu of Foreclosure Settlement Checklist</i> available on FreddieMac.com.
DL2 A copy of the executed deed verifying that ownership has transferred to Federal Home Loan Mortgage Corporation is missing.	Freddie Mac has not received a copy of the executed deed showing conveyance between the parties identified in Freddie Mac's approval letter.	Send a certified true copy of the executed deed to Freddie Mac. Note: You do not have to wait until the deed is recorded to send the certified true copy to Freddie Mac.
DL3 Missing Copy of Cash Contribution.	Freddie Mac has not received a copy of the borrower's cash contribution.	Send a copy of the borrower's cash contribution to Freddie Mac.
DL4 Missing Original Promissory Note.	Freddie Mac has not received the original promissory note.	Send the original promissory note to Freddie Mac.
DL5 Loan Not Reported in REO Status by Servicer.	You have not reported a transfer to REO via Loan Level Reporting to move the loan into an REO status. The loan must be in an REO status to close the deed-in-lieu.	Report the mortgage as an REO loan-level transaction via the Loan Level Reporting tool. Ensure that: <ul style="list-style-type: none"> The "Ending Gross UPB" field equals the ending balance of the mortgage.



Settlement Status Code and Comment	What it Means	How to Resolve
		<ul style="list-style-type: none">▪ The “Principal Due” field contains is zero.▪ The “REO Acquisition Date” is the date the deed was executed.▪ The “DDLPI” field contains the due date of the last fully paid installment.
DL6 Miscellaneous	There are several errors that must be resolved before the loan can close. Review the notes appended to this status code to determine what errors are outstanding.	Correct any outstanding errors and submit any missing documentation to Freddie Mac.
NG12 WP Technical Issue	There is a Workout Prospector technical issue. Resolution may require two to three weeks.	No action is required.
NG13 File Approved - Negotiated	Freddie Mac has approved the workout and communicated the decision to you.	<ul style="list-style-type: none">▪ Communicate the decision to the borrower. Process and close the transaction in accordance with the Guide.
NG14 File Rejected	Freddie Mac has not approved the workout request and communicated the decision, as well as recommended next steps, to you.	<ul style="list-style-type: none">▪ Communicate the decision to the borrower. Proceed in accordance with the Guide.
NG15 Re-RQ file for Settlement	A workout that was once approved, and then later cancelled, has been set up for settlement again.	No action is required.
NG16 Rolled Delegated	Freddie Mac has reviewed the workout, determined it is within your delegation parameters, and moved it into an approved status under the delegated path.	<ul style="list-style-type: none">▪ Communicate the decision to the borrower. Process and close the transaction in accordance with the Guide.
NG17 Change Program Code for Settlement	A program code correction is needed in Freddie Mac’s system.	No action is required.
RE01 Renegotiated	An approved workout requires changes. Freddie Mac has returned control of the Workout Prospector model to you.	<ul style="list-style-type: none">▪ Make the appropriate updates to the Workout Prospector model and retransmit to Freddie Mac. Send your Freddie Mac representative an e-mail to



Settlement Status Code and Comment	What it Means	How to Resolve
		confirm that you have retransmitted the model.
NG12 WP Technical Issue	There is a Workout Prospector technical issue. Resolution may require two to three weeks.	No action is required.
NG13 File Approved - Negotiated	Freddie Mac has approved the workout and communicated the decision to you.	<ul style="list-style-type: none"> Communicate the decision to the borrower. Process and close the transaction in accordance with the Guide.
NG14 File Rejected	Freddie Mac has not approved the workout request and communicated the decision, as well as recommended next steps, to you.	<ul style="list-style-type: none"> Communicate the decision to the borrower. Proceed in accordance with the Guide.

Completed Deeds-in-Lieu of Foreclosure

The following settlement status code may display for a deed-in-lieu of foreclosure after it has been reconciled.

Settlement Status Code and Comment	What it Means	How to Resolve
CD1 DIL Reconciled	Freddie Mac has reconciled the deed-in-lieu.	No action is necessary.

Charge-offs

The following settlement status codes may display for a charge-off prior to reconciliation.

Settlement Status Code and Comment	What it Means	How to Resolve
CO4 Missing Promissory Note	Freddie Mac has not received the original promissory note.	Send the original promissory note to Freddie Mac.
CO6 Cash received in California. Advised Servicer to send funds back to the borrower and return proof to Freddie Mac that the funds have been sent.	The workout requires review by the Loss Mitigation team before proceeding with settlement processing.	No action is necessary.



Settlement Status Code and Comment	What it Means	How to Resolve
CO6 LM Prom note requested in California. Please cancel the prom note request.	The workout requires review by the Loss Mitigation team before proceeding with settlement processing.	No action is necessary.
CO6 LM Missing other proceeds.	The workout requires review by the Loss Mitigation team before proceeding with settlement processing.	No action is necessary.
CO6 LM Other proceeds received are less than approved. Requires Loss Mitigation review.	The workout requires review by the Loss Mitigation team before proceeding with settlement processing.	No action is necessary.
CO6 NPL Approved other proceeds in the amount of \$XXXX.XX. Proceed with settlement.	The workout has been reviewed by Loss Mitigation and is ready for settlement processing.	No action is necessary.
CO6 NPL Prom note deleted. Proceed with settlement.	The workout has been reviewed by Loss Mitigation and is ready for settlement processing.	No action is necessary.
CO7 LM Cash contribution was not received in transaction. Requires Loss Mitigation review.	The workout requires review by the Loss Mitigation team before proceeding with settlement processing.	No action is necessary.
CO7 NPL Approved transaction with the cash contribution of \$XXXX.XX. Proceed with settlement.	The workout has been reviewed by Loss Mitigation and is ready for settlement processing.	No action is necessary.
CO8 LM Missing hazard insurance proceeds.	The workout requires review by the Loss Mitigation team before proceeding with settlement processing.	No action is necessary.
CO8 LM Hazard insurance proceeds received are less than approved. Requires Loss Mitigation review.	The workout requires review by the Loss Mitigation team before proceeding with settlement processing.	Verify the funds have not been submitted as part of the payoff amount. Funds should be sent via wire transfer or to the lock box address in <i>Single-Family Seller/Service Guide</i> (Guide) Directory 5.



Settlement Status Code and Comment	What it Means	How to Resolve
CO8 NPL Approved Hazard proceeds in the amount of \$XXXX.XX. Proceed with settlement.	The workout has been reviewed by Loss Mitigation and is ready for settlement processing.	No action is necessary.

Completed Charge-offs

The following settlement status code may display for a charge-off after it has been reconciled.

Settlement Status Code and Comment	What it Means	How to Resolve
CC1 CO Reconciled – rolled to GA.	Freddie Mac has reconciled the charge-off.	Contact your Freddie Mac representative.

Third-Party Foreclosure Sales

The following settlement status codes may display for a third-party foreclosure sale.

Settlement Status Code and Comment	What it Means	How to Resolve
3P4 Missing Proceeds Check	Freddie Mac has not received a copy of the proceeds check or wire instructions.	Send a copy of the proceeds check or wire instructions to Freddie Mac.
3P4 Missing Disbursement Breakdown/Copy of Judgment	The sale proceeds are less than the sale price and a breakdown of the funds disbursement is required.	Provide a copy of the breakdown of disbursement funds to determine where proceeds were applied.
3P5 Missing Bidding Instructions	Freddie Mac has not received bidding instructions that identifies what bidding method was used to determine starting bid.	Provide bidding instructions that clearly state the bidding method used at sale.
3P5 Missing confirmation of Sheriff's Appraised Value	Freddie Mac is missing an acceptable confirmation of the Sheriff's appraised value in a jurisdictional bidding state.	Provide satisfactory evidence of the Sheriff's appraised value that was delivered to the court. This may include the final judgment confirming the sale with the Sheriff's value included.
3P5 Missing Form 105/Service's Total Debt Calculation	You have not provided a completed Guide Form 105, <i>Multipurpose Loan Servicing</i>	Prepare and submit Guide Form 105 to Freddie Mac.



Settlement Status Code and Comment	What it Means	How to Resolve
	<i>Transmittal</i> , which will assist in calculating the total debt.	
3P6 Missing 104SF/104DC	Freddie Mac has not received your 104SF expense or 104DC expense, if applicable. Freddie Mac identified inconsistencies with the bidding instructions during the reconciliation and needs the 104SF or 104DC expense to complete the workout.	<ul style="list-style-type: none"> Submit your 104SF expense and/or 104DC expense, if applicable, via PAID (Payments Automated Intelligent and Dynamic). Ensure you have identified the submission type as “final” or “supplemental.”
3P7 LM Foreclosure sale price is less than credit bid or modified credit bid. Requires Loss Mitigation Review.	The workout requires review by the Loss Mitigation team before proceeding with settlement processing.	No action is necessary.
3P8 Reporting Errors – Loan was not reported in a closed status as a Third-Party Sale (Code 71) Loan reported in a closed status as a Pre-paid (Code 61). UPB, DDLPI, or other LL Reporting inconsistent. Foreclosure sale date not reported in Default Workout Reporting.	<p>You have not reported a third-party foreclosure sale transaction via Loan Level Reporting to move the loan into a closed status. The loan must be in a closed status to complete the third-party foreclosure settlement.</p> <p>One or more data elements pertaining to the DDLPI, UPB or other loan attribute are inconsistent with the loan file.</p>	<p>Report the mortgage as a Third-Party Foreclosure Sale loan-level transaction via the Loan Level Reporting tool within two business days after you receive the sales proceeds.</p> <p>Ensure that:</p> <ul style="list-style-type: none"> The “Foreclosure Sale Date” is the date that the foreclosure sale occurred. The “Ending Gross UPB” field equals \$0.00. The “Principal Due” field reflects the unpaid principal balance as of the last reporting cycle before the mortgage was inactivated. <p>The “DDLPI” field contains the due date of the last fully paid installment.</p>
3P11 3rd Party Sale Claim Approved [insert correct bid type] Used. Negative/Positive Charge-off [enter only one or the other] Amount is (\$XXX,XXX.XX)/\$XXX,XXX.XX.	Freddie Mac has reconciled the third-party foreclosure sale.	No action is necessary.
3P13 Miscellaneous- TL Review or 2nd Look required due to Miscellaneous error or	This loan is a possible Expense Only or Total Debt and requires additional review	No action is required if the loan is pending additional review by Freddie Mac. Review the notes



Settlement Status Code and Comment	What it Means	How to Resolve
matter requiring further attention.	before a decision can be made. This code is also used for miscellaneous errors. Refer to the comment(s) appended to this code.	appended to this status code to determine additional errors that are outstanding. Correct any outstanding errors and submit any missing documentation to Freddie Mac.

Change Maintenance

Settlement Status Code and Comment	What it Means	How to Resolve
CM2 XX/XX/XX Request received and logged for _____ correction.	Form 1205, <i>Post Settlement Correction Request</i> , has been logged and is in queue for correction. The type of correction will be noted in the comment.	No action is necessary.
<p>CM2 SE/FE Current Date Request received and logged for correction – In queue for process.</p> <p>CM2 SE/FE Current Date Request received and pending Servicer response – FM needs additional documentation before the loan is processed.</p> <p>CM2 SE Current Date Request received and denied – FM denied b/c (list reason)</p> <p>CM2 Current Date – Request received and cancelled by Servicer b/c (list reason)</p>	<p>Freddie Mac has received and reviewed a post-cycle correction request.</p> <p>One of the following has occurred as a result of the review:</p> <ul style="list-style-type: none"> ▪ Freddie Mac has accepted the request for processing. ▪ Freddie Mac needs additional documentation before the loan is processed. ▪ Freddie Mac has rejected the request due to insufficient information or missing documentation. ▪ Freddie Mac request received and cancelled by the Servicer. <p>FE = Freddie Mac Error SE = Servicer Error IAO = In the amount of</p> <p>If the request has been rejected, the reason for</p>	<p>No action is required if the request has been accepted for processing.</p> <p>If the request was rejected due to insufficient information or missing documentation, submit the required information.</p> <p>Note: Ensure that you review your <i>Draft Report</i> each month to determine if the adjustments posted impact your custodial account reconciliation. For additional information, refer to Guide Sections 9208.8 and 8304.14.</p>



Settlement Status Code and Comment	What it Means	How to Resolve
	rejection will be noted in the comment.	
CM3 Additional information needed from Servicer before post cycle correction can be completed: [Insert required information here]	Freddie Mac is unable to complete the post-cycle correction due to missing documentation or insufficient information submitted with the request.	Submit the missing information or documentation so that Freddie Mac can process the post-cycle correction.
<p>CM3 SE/FE FM Research in process for loan based on Servicer request.</p> <p>CM3 SE/FE FM Research in process for loan based on internal FM request.</p> <p>CM3 SE/FE MFC prepared for UPB correction; UPB changed from \$00.00 to \$00.00; cash adjustment needed (description of cash adjustment)</p> <p>CM3 SE/FE MFC prepared for UPB correction IBUPB changed from \$00.00 to \$00.00 deferred UPB changed from \$00.00 to \$00.00 cash adjustment needed (description of cash adjustment). Used when funds are reallocated.</p> <p>CM3 SE/FE MFC Prepared for rate correction; ANY changed from 0.00% to 0.00%; cash adjustment needed (description of cash adjustment)</p> <p>CM3 SE/FE MFC prepared for rate correction; Note rate changed from 0.00% to 0.00%; cash adjustment needed (description of cash adjustment)</p>	<p>Research is in progress for the loan. Specific details about the research are noted in the comments.</p> <p>FE – Freddie Mac Error SE – Servicer Error</p>	<p>No action is necessary.</p>
<p>CM3 SE/FE MFC prepare for maturity date correction; changed from 00/00/0000 to 00/00/0000; cash adjustment needed (description of cash adjustment if required)</p> <p>CM3 FE Internal DLP code changed from XXX to XXX</p>	<p>Research is in progress for the loan. Specific details about the research are noted in the comments.</p> <p>FE – Freddie Mac Error SE – Servicer Error</p>	<p>No action is necessary.</p>



Settlement Status Code and Comment	What it Means	How to Resolve
<p>CM3 FE Incorrect proceeds used to settle loan; FM will reverse the incorrect DAR credit IAO \$.00 and will credit the Servicer with the correct DAR IAO \$00.00</p> <p>CM3 SE Servicer reported incorrect UPB; FM will reverse the incorrect DAR credit IAO \$00.00 and credit the correct amount IAO \$00.00</p> <p>CM3 SE Servicer reported incorrect exception date; FM will reverse the incorrect DAR credit IAO \$00.00 and credit the correct DAR IAO \$00.00</p> <p>CM3 SE Servicer reported incorrect DDLPI; FM will reverse the incorrect DAR credit IAO \$00.00 and credit the correct DAR IAO \$00.00</p>		
<p>CM3 FE/SE MFC to update system by XX/XX/XX: Rate from 00.00% to 00.00%, ANY from 00.00% to 00.00%.</p> <p>Cash to post within XX/XX/XX cycle: (dollar amount) (cycle) Reverse Incorrect LMCI (dollar amount) Correct LMCI</p>	<p>A post-cycle correction request is in process. FE – Freddie Mac Error SE – Servicer Error</p>	<p>No action is necessary.</p>
<p>CM4 FE MFC ECMU1008 submitted for processing in 00/0000 cycle; cash adjustment to follow (if required)</p> <p>CM4 SE MFC ECMU1008 submitted for processing in 00/0000 cycle; cash adjustment to follow (if required)</p> <p>CM4 SE/FE Cash adjustment submitted to manager for approval</p> <p>CM4 SE/FE Cash adjustment submitted to PL for processing in 00/0000 cycle.</p> <p>CM4 FE Internal system incorrectly calculated MISI; reverse incorrect</p>	<p>Freddie Mac has completed the research required to process your request. The post-cycle correction has been submitted for processing. FE – Freddie Mac Error SE – Servicer Error</p>	<p>No action is necessary.</p>



Settlement Status Code and Comment	What it Means	How to Resolve
amount IAO \$00.00 and credit correct amount IAO \$00.00		
CM4 FE/SE Cramdown: LMCI correction to WD Amt IAO (dollar amount) Cash to post within XX/XX/XX cycle: (dollar amount) (cycle) Reverse incorrect LMCI (dollar amount) correct LMCI	A post-cycle correction request for a bankruptcy/cramdown is in process. FE – Freddie Mac Error SE – Servicer Error WD Amt. – Write-down amount	No action is necessary.
CM5 Provided status of the submission to the Servicer (enter Servicer's email address).	Freddie Mac received a status request from you.	No action is necessary.
CM4 FE MFC ECMU1008 submitted for processing in 00/0000 cycle; cash adjustment to follow (if required) CM4 SE MFC ECMU1008 submitted for processing in 00/0000 cycle; cash adjustment to follow (if required) CM4 SE/FE Cash adjustment submitted to manager for approval CM4 SE/FE Cash adjustment submitted to PL for processing in 00/0000 cycle. CM4 FE Internal system incorrectly calculated MISI; reverse incorrect amount IAO \$00.00 and credit correct amount IAO \$00.00	Freddie Mac has completed the research required to process your request. The post-cycle correction has been submitted for processing. FE – Freddie Mac Error SE – Servicer Error	No action is necessary.
CM4 FE/SE Cramdown: LMCI correction to WD Amt IAO (dollar amount) Cash to post within XX/XX/XX cycle: (dollar amount) (cycle) Reverse incorrect LMCI (dollar amount) correct LMCI	A post-cycle correction request for a bankruptcy/cramdown is in process. FE – Freddie Mac Error SE – Servicer Error WD Amt. – Write-down amount	No action is necessary.
CM5 Provided status of the submission to the Servicer (enter Servicer's email address).	Freddie Mac received a status request from you.	No action is necessary.



Exception Management

The following settlement status codes may display when Freddie Mac’s exception management group performs certain activities.

Settlement Status Code and Comment	What it Means	How to Resolve
LTE1 Liquidations Team Exception	A pre-settlement exception request has been processed or denied by the Exception Management team for a liquidation option.	Provide additional documentation if requested by Freddie Mac.
MTE1 Mod Team Exception	A pre-settlement exception request has been processed or denied by the Exception Management team for a modification.	Provide additional documentation if requested by Freddie Mac.
PCD1 Post Cycle DIL	A post-settlement exception request has been processed or denied by the Exception Management team for a liquidation option.	Provide additional documentation if requested by Freddie Mac.
PLE1 Performing Loan Exception	A pre-settlement exception request has been processed or denied by the Exception Management team for a performing loan.	Provide additional documentation if requested by Freddie Mac.

No Documentation Received

The following codes will display on the applicable Status Overview loan-level detail report when Freddie Mac has not received your settlement documentation. For additional information, refer to the settlement checklists available on FreddieMac.com.

Settlement Status Code and Comment	What it Means	How to Resolve
SC1 Servicer contacted first time – no documents received.	The loan is in an “Approved” status, but Freddie Mac has not received all required documentation. The Servicer has been contacted one time.	Send the required documentation to Freddie Mac or advise Freddie Mac to cancel the workout.
SC2 Servicer contacted a second time – no documents received.	The loan is in an “Approved” status, but Freddie Mac has not received all required	Send the required documentation to Freddie Mac.



Settlement Status Code and Comment	What it Means	How to Resolve
	documentation. The Servicer has been contacted two times.	
SC3 Servicer contacted a third time – no documents received.	The loan is in an “Approved” status, but Freddie Mac has not received all required documentation. The Servicer has been contacted three times.	Send the required documentation to Freddie Mac. If the documentation is not received, Freddie Mac will cancel the workout in Workout Prospector.

Negotiation Status Codes

The following codes related to negotiation may display on the applicable Status Overview loan-level detail report.

Negotiation Status Code and Comment	What it Means	How to Resolve
NG02 Assigned to _____ or Reassigned	A file for a negotiated workout has been received and assigned to a Freddie Mac representative for review.	No action is required.
NG03 Pending TL Approval	A file for a negotiated workout requires Team Lead approval and is pending sign-off.	No action is required.
NG04 Manager Approval Required	A file for a negotiated workout requires Manager approval and is pending sign-off.	No action is required.
NG05 Director Sign-off Required	A file for a negotiated workout requires Director approval and is pending sign-off.	No action is required.
NG06 VP Approval Required	A file for a negotiated workout requires Vice President approval and is pending sign-off.	No action is required.
NG07 Servicer Contacted – 1 st Request for Additional Information	Freddie Mac requires additional documentation to make a decision. The Servicer has been contacted one time.	Send the requested information to Freddie Mac.



Negotiation Status Code and Comment	What it Means	How to Resolve
NG08 Servicer Contacted – 2 nd Request for Additional Information	Freddie Mac requires additional documentation to make a decision. The Servicer has been contacted two times.	Send the requested information to Freddie Mac.
NG09 Servicer Contacted – 3 rd Request for Additional Information	Freddie Mac requires additional documentation to make a decision. The Servicer has been contacted three times.	Send the requested information to Freddie Mac.
NG10 Model Returned for Corrections	Freddie Mac has contacted you and indicated that updates are needed to the Workout Prospector model you transmitted. Freddie Mac has returned control of the model to you.	<ul style="list-style-type: none">▪ Make the appropriate updates to the Workout Prospector model and retransmit to Freddie Mac.▪ Send your Freddie Mac representative an e-mail to confirm that you have retransmitted the model.
NG11 Management Decided File back to Negotiator	Freddie Mac management has made a decision regarding the file. Your Freddie Mac representative will communicate the decision to you.	No action is required.
NG12 WP Technical Issue	There is a Workout Prospector technical issue. Resolution may require two to three weeks.	No action is required.
NG13 File Approved - Negotiated	Freddie Mac has approved the workout and communicated the decision to you.	<ul style="list-style-type: none">▪ Communicate the decision to the borrower. Process and close the transaction in accordance with the Guide.
NG14 File Rejected	Freddie Mac has not approved the workout request and communicated the decision, as well as recommended next steps, to you.	<ul style="list-style-type: none">▪ Communicate the decision to the borrower. Proceed in accordance with the Guide.
NG15 Re-RQ file for Settlement	A workout that was once approved, and then later cancelled, has been set up for settlement again.	No action is required.



Negotiation Status Code and Comment	What it Means	How to Resolve
NG16 Rolled Delegated	Freddie Mac has reviewed the workout, determined it is within your delegation parameters, and moved it into an approved status under the delegated path.	<ul style="list-style-type: none">▪ Communicate the decision to the borrower. Process and close the transaction in accordance with the Guide.
NG17 Change Program Code for Settlement	A program code correction is needed in Freddie Mac's system.	No action is required.
RE01 Renegotiated	An approved workout requires changes. Freddie Mac has returned control of the Workout Prospector model to you.	<ul style="list-style-type: none">▪ Make the appropriate updates to the Workout Prospector model and retransmit to Freddie Mac. Send your Freddie Mac representative an e-mail to confirm that you have retransmitted the model.

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.

© 2022 Freddie Mac

[Freddie Mac Learning](#)