

Freddie Mac Short Sale Settlement Checklist

Refer to the following checklist when submitting a Freddie Mac Short Sale for settlement. If you have any questions, contact Customer Support at 800-FREDDIE.

For additional information about Short Sales, refer to *Single-Family Seller/Servicer Guide* (Guide) Chapter 9208.

When the settlement proceeds are received, follow the steps below to complete the workout.

<input checked="" type="checkbox"/> Take the following actions prior to submitting a short sale for settlement:	
<input type="checkbox"/>	<p>Obtain an affidavit attesting that the sale is an “arm’s length” transaction – meaning the transaction is between parties who are independent of one another, and unrelated and unaffiliated by family, marriage, or commercial enterprise, other than the purchase and sale of the property between the borrowers and the purchasers that is the subject of the proposed Short Sale.</p> <p>You must maintain the original affidavit in the mortgage file in accordance with Guide Section 3302. and provide a copy to Freddie Mac upon request.</p> <p>For additional information, refer to Guide Section 9208.7.</p>
<input type="checkbox"/>	<p>Report the payoff to Freddie Mac as a Payoff – Short Sale/Charge-off/Make-whole (exception code 67) transaction through the Loan Level Reporting tool within two business days of receiving the settlement proceeds. Ensure that:</p> <ul style="list-style-type: none"> • The ending UPB is zero • The Principal collected is the ending balance of the Mortgage (Not the proceeds collected from the sale of the property) • Payoff Date is the date the Servicer received the Settlement Proceeds • DDLPI reflects the due date of the last fully paid installment <p>Note: We will draft the ending UPB and delinquent and exception interest on the fifth business day after the exception date. If the short sale settles in Freddie Mac systems on or before the Payoff Draft Determination Date, charge-off adjustments will be reflected in the Draft Report on the same day as the payoff draft. If the short sale settles in Freddie Mac systems after the Payoff Draft Determination Date, the charge-off adjustment will be reflected in the Draft Report on the second business day after the short sale settles in Freddie Mac systems.</p> <p>This is required to receive the credit adjustment on the <i>Detailed Adjustment Report</i>.</p>
<input type="checkbox"/>	<p>Review the deed within five business days of closing to ensure the names of the parties match those on the sales contract, Settlement/Closing Disclosure Statement, and arm’s length affidavit (see “Additional Activities” in this checklist). Also ensure that the 120-day resale restriction is included in the deed language, as required in Guide Section 9208.7(i). Refer to Guide Section 9208.8 for additional details.</p>
<input checked="" type="checkbox"/> Submit a Short Sale for settlement:	



<input type="checkbox"/>	<p>Ensure the short sale is in an Approved status in Resolve, then:</p> <p>Resolve UI: Submit a short sale settlement request via the Actions menu on the Workout Details page or use the Submissions upload function to transmit settlement information using the Liquidation Loan File Template</p> <p>Resolve Liquidation API: Transmit settlement data through the API</p> <p>For either method, the following fields are required to request a short sale settlement:</p> <ul style="list-style-type: none"> • Freddie Mac Loan Number • Seller Servicer Number • Workout Program Type (SHRTSLE) • Workout Reporting Status Type (SET Req) • Closing Date • Final Net Sale Proceeds • Exception review request (API only) <p>Optional fields related to a short sale settlement may include:</p> <ul style="list-style-type: none"> • Actual Borrower Cash Contribution • Actual Investor Relocation Assistance • Actual Payoff of Second Mortgage Loan <p>Refer to Resolve Online Help for step by step instructions on settling in the Resolve User Interface and the <i>Resolve Liquidation API Reference Guide</i> on the Developer Portal for settling using the API.</p>		
<input type="checkbox"/>	<p>Remit any proceeds that were not included in the proceeds check (for example, property insurance premium rebate, refunded escrow advance prepayments) within five business days of receiving the proceeds.</p>		
<input type="checkbox"/>	<p>Regular or First Class Mail: Freddie Mac P.O. Box 730453 Dallas, TX 75373-0453 Attn: Make-Whole Pre-foreclosure Sale</p>	<p>Overnight Mail: JP Morgan Chase Dallas National Wholesale LB TX 1-0029 14800 Frye Road Fort Worth, TX 76155 Attn: HomeSteps #730453</p>	<p>Wire Transfer: JPMorgan Chase Bank, NA Location: McLean, Virginia Routing #: 021000021 Account #: 9102418887</p>
<p><input checked="" type="checkbox"/> Additional Activities:</p>			
<input type="checkbox"/>	<p>If the loan has an open repurchase, Freddie Mac may not be able to settle the Short Sale. Contact your Freddie Mac representative to determine if the loan is eligible to close.</p>		
<input type="checkbox"/>	<p>Request reimbursement for any applicable expenses in accordance with Guide Chapter 9701.</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.
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