

Document Release Procedures

Chapter 4

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Document Release Procedures

Introduction

Document Custodians safeguard Freddie Mac's Notes. Servicers may need physical or constructive possession of Notes or other documents that are in your custody to service the related Mortgages for Freddie Mac. This Chapter addresses those requests for release and returns. Chapter 5 addresses releases of Note files in Transfers of Servicing and Transfers of Custody, and Chapter 6 details requirements specific to eNotes.

When you receive a completed [Form 1036](#) from a Servicer, you must release the physical Note file or indicate in your tracking system that the Servicer has constructive possession of the Note file. Servicers will hold in trust, for Freddie Mac's benefit, all Notes and assignments that you release to them.

You must track the release and, as appropriate, return of Note file documents in accordance with the requirements in the Tri-Party Agreement, the Guide (in particular, Guide Chapter 8107), and this Handbook.

As stated in Chapter 2, you must periodically identify and report to Freddie Mac Note files released for servicing for longer than 180 days.

Form 1036 Requirements

Servicers may develop their own versions of [Form 1036](#), but it must contain, and you must verify, that it contains the following information:

- Name of Document Custodian
- Document Custodial Agreement number (from Form 1035)
- Document Custodian Number
- Mortgage information, including:
 - Freddie Mac loan number
 - Primary Borrower's last name
 - Original Note Date
 - Servicer loan number
 - Property (Mortgaged Premises) address
- Type of possession requested (physical or constructive)
- Reason for request
- Servicer name and Servicer number
- Authorized signature of Servicer, including name, title, and date signed
- Phone number and email address of individual at the Servicer making the request
- For requests involving eNotes:

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- Identification that eNotes are included
- MERS MIN number
- Control and location

If the form is incomplete or inconsistent with your records, contact the Servicer to resolve the issue. If the request includes eNotes and you are *not* a Freddie Mac eCustodian, please contact Freddie Mac immediately at loan_delivery_funding_ops@freddiemac.com.

Once you verify that the [Form 1036](#) is complete, you must (i) sign and date it, indicating the name and title of the signer and if the request was for physical release, (ii) return the form to the Servicer with the *entire* Note file, and (iii) update your tracking system to indicate, at a minimum, the date and reason for the release.

Note: If a requested Note is badly damaged or is missing and there is no LNA in the Note file, contact Freddie Mac.

If the Servicer requests constructive possession of a Note, you must so indicate on your tracking system and retain physical custody of the Note in trust for the benefit of the Servicer until the Servicer (i) delivers [Form 1036](#) requesting you to release and deliver the physical Note file or (ii) no longer requires constructive possession of the Note, in which case you must update your tracking system to indicate again that you hold the documents in trust for the sole benefit of Freddie Mac.

Electronic Release Requests

An **Electronic or system-generated [Form 1036](#)** is any document that is delivered to the Document Custodian other than in hard copy, such as through a web-based system, and includes PDFs of paper documents delivered as attachments in emails. See [Guide Section 1401.2](#).

Each Electronic [Form 1036](#) must contain all the data elements indicated above, including an Electronic Signature. A single Electronic [Form 1036](#) can be used to request multiple Notes if the release type for each Note is indicated on the form and a Note list is attached. You must record and file the [Form 1036](#) with the returned documents.

Document Custodians must retain Electronic [Forms 1036](#) as described below and must maintain the list of individuals designated by the Servicer to request document release electronically. **See [Guide Section 8107.2\(b\)](#) for details on alternative versions of the [Form 1036](#) and the required agreement for electronic commerce between the Document Custodian and the Servicer.**

Note: [Form 1036](#) contains terms for electronic commerce and when used fulfills [Guide Section 8107.2\(b\)](#) requirements, including for PDFs of paper documents delivered as attachments in emails.

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Document Release Types

Upon receipt of a properly completed and executed [Form 1036](#), you must release the requested Note file to the Servicer and retain the original or an imaged copy of the form as required by [Guide Sections 2202.4, 6304.3](#), and [8107.2](#).

Below are examples of release types:

Maturity	Prepayment
Repurchase	Foreclosure
Substitution	Assumption
Modification	Conversion
NY CEMA	Other--must include an explanation
Other Legal Action—must include a brief explanation of the circumstances	

“Legal Action” is defined in [Guide Section 8107.1\(b\)](#).

If the release type is ‘Other’, the form should indicate redemption, deed-in-lieu, or short sale--*not* ‘correction’ or similar. Contact Freddie Mac with any questions.

Upon release, update your tracking system to reflect (i) the reason for release of Note files (other than maturity, prepayment, or repurchase), and (ii) whether any released document required to be original is *not* an original document (such as an LNA released in lieu of an original Note).

NY CEMA Releases

Servicers may request original Notes and assignments to facilitate refinances. To consolidate, extend and modify a Mortgage secured by Mortgaged Premises in New York State, a Borrower must notify the Servicer of their intention to use a NY CEMA. The Servicer must receive the related Note file to prepare documents needed for the NY CEMA refinance.

We strongly recommend that you make a complete copy of the Notes and assignments that you release for a NY CEMA refinancing, and we require both you and the Servicer to track all released documents. The Servicer must notify you when the Note is paid in full or return the released documents if the refinance is cancelled or closing does not occur within 60 days of their release. Please prompt the Servicer if you do not receive the Note file or notice of payment in full within 45 days after document release. If the Servicer does not respond within 60 days after the document release, contact Freddie Mac with the Freddie Mac loan number of the released Note so that we may engage the Servicer.

Paid-in-Full Notes

Notes for Mortgages that have been paid-in-full (e.g., loans that matured or been prepaid or refinanced) must be returned to the Servicer promptly upon receipt of [Form 1036](#) to comply with [Guide Section 8103.6](#). In many States, Servicers are required by law to record the lien satisfaction in the land records within 30 days, and may need the original Note to release the lien.

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Return of Released Documents

Servicers should include the [Form 1036](#) with a Note file that was physically released when it is returned to you. You must review the documents to verify that the Servicer has returned everything that you released: a complete photocopied set helps with this verification. If everything is satisfactory, update your tracking system to reflect return of the documents and retain the [Form 1036](#) as described below.

For Servicers in constructive possession of a Note, you must receive the [Form 1036](#) with a request to terminate the constructive possession and update your tracking system to reflect its termination.

Lost Notes

Under no circumstances should you accept a 'substitute,' corrected, or replacement Note instead of a released original. If any data element has been altered, or if any document released *with* the Note (such as a POA, modification, or allonge) is not returned, contact Freddie Mac promptly at loan_delivery_funding_ops@freddiemac.com.

If you receive an LNA rather than the original Note: (i) verify that you released an LNA and not the original Note to the Servicer, and **(ii) if you released the original Note, do not accept the Note file;** contact Freddie Mac and advise the Servicer to review [Guide Section 8107.1\(d\)](#).

A Servicer that recovers an original Note associated with a loan that is represented by an LNA should deliver the original Note to you with a signed "Found Note Certification" form (see Appendix B) that identifies the related Mortgage and contains representations about the original Note. Review the Note to verify that it is an original document that matches precisely the copy of the Note attached to the LNA. If it does, place the original Note in the Note file, execute the Found Note Certification form where indicated, and return the form, together with the LNA from the Note file, to the Servicer. The Servicer will contact Freddie Mac, and your duties and responsibilities with respect to the original Note are the same as if it had been delivered to you initially. Please direct Servicers unfamiliar with this process to contact Freddie Mac ([Guide Directory 9](#)) directly.

If the item lost or missing from a Note file is other than the original Note, the same general processes and requirements apply, but the name of the affidavit may be something other than "Lost Note."

Form 1036 Retention

You must retain a copy of the [Form 1036](#), together with information on the party to whom the Note file was released if it was not the Servicer, for our inspection in your tracking system or the related Note file for at least three months after the Mortgage is paid-in-full, the Note is returned, constructive possession is terminated, or custody of the Note is transferred.

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As with all documents that contain Borrower private personal information, you must maintain and dispose of [Form 1036](#) in a manner that ensures Borrower confidentiality and privacy. See Guide [Section 8107.2\(d\)](#).