

Transfers of Servicing and Custody Procedures

Chapter 5

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Transfers of Servicing and Custody Procedures

Introduction

This Chapter provides the requirements and guidance necessary to move or recertify Freddie Mac Notes and assignments as part of a Subsequent Transfer of Servicing (TOS) or a transfer of custody. It also describes the roles and responsibilities of Freddie Mac and the:

| | |
|---------------------|-------------------------------|
| Transferor Servicer | Transferor Document Custodian |
| Transferee Servicer | Transferee Document Custodian |

Please refer to [Guide Chapters 2202](#), [6304](#), [7101](#), and [8107](#); and [Section 7101.9](#) or consult with the Servicer, as appropriate, for more information. See Chapter 6 for instructions for transfers of eNotes.

Note: A TOS or transfer of custody requiring Freddie Mac's approval may occur as a result of an organization change to, or merger or acquisition of, a Servicer or Document Custodian. See [Guide Section 2101.14](#) and Chapter 2 for additional information.

Note: See below for specific handling of MERS-Registered Mortgages.

General Responsibilities

Within 30 days following the Effective Date of Transfer, the Transferor Servicer must deliver:

- an executed [Form 1034T](#), Subsequent Transfer Custodial Certification Schedule, with a loan list to the Transferee Document Custodian, and direct the Transferor Document Custodian to deliver the Notes, together with any documentation regarding MERS-registered Mortgages and those closed with MERS as the original Mortgagee of record, to the Transferee Document Custodian; and
- a list identifying all Mortgages represented by an LNA to the Transferee Servicer.

Within 180 days following:

- the Effective Date of Transfer for a TOS, or
- written notice of a transfer of custody,

the Transferee Document Custodian must deliver the Form 1034T to Freddie Mac on behalf of itself and the Transferee Servicer. By executing and submitting Form 1034T, Transferor Servicer and Transferor Document Custodian each represent and warrant to Freddie Mac that the information regarding the Notes is accurate and that the required certifications have been made.

Note: For a TOS where there is no change in Document Custodian, Note recertification is not required, but you must receive and review applicable assignments from the Transferor Servicer by the recertification due date.

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For transfers of custody, the Transferor Servicer must deliver the signed Form 1034T and a loan list to the Transferee Document Custodian within 30 days following the transfer.

Please direct questions regarding your role in the transfer process to the Servicer or to Freddie Mac, and questions regarding the approval of a Transferee Document Custodian to receive Notes to IE (Guide Directory 1) at:

Attn: Institutional Eligibility
Freddie Mac
1551 Park Run Drive
McLean, VA 22102-3110
Phone: (571) 382-3434 Opt. 2

Note: The Transferee and Transferor Document Custodian must receive at least 30 days prior notice from the Servicer or Freddie Mac of a transfer of custody. Freddie Mac can require an immediate transfer.

Transferor Document Custodian Responsibilities

Within 30 days after the Effective Date of Transfer for a TOS, the Transferor Document Custodian must receive from the Transferor Servicer:

- a copy of the TOS approval letter;
- for a transfer of custody, a copy of the first page and the signature page of a fully executed Tri-Party Agreement for the Transferee Document Custodian;
- Form 1034T listing all Notes included in the TOS; and
- a properly prepared and recorded assignment for each Note, if applicable.

The Transferor Document Custodian must:

- For a TOS, verify that Freddie Mac has approved the TOS and that there is an executed Tri-Party Agreement with that Transferee Document Custodian (you may review the fully executed Tri-Party Agreement or the first and signature pages), and
- Forward the Form 1034T, the loan list and the Notes (with the newly prepared assignments, when applicable), to the Transferee Document Custodian.

You may not move Note files to a Document Custodian without first verifying that the documents are covered by a Tri-Party Agreement with the Transferee Servicer.

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Transferee Document Custodian Responsibilities

Within 30-days of the Effective Date of Transfer, the Transferee Document Custodian must receive from the Transferor Custodian the original Form 1034T listing all Notes included in the TOS, the Notes and all Note file contents, including all assignments.

The Transferee Document Custodian must:

1. Verify the data on the listing provided with the Form 1034T:
 - Borrower's Name
 - Property address (number and street, city, state)
 - Freddie Mac loan number, if present on the face of the Note; otherwise, validate the Freddie Mac loan number against data in electronic files or records provided by the Transferee Servicer.
2. Review Note file contents. You may not recertify the loan if the original Note is not present. You may require evidence of an SLE or TOB for documents that do not conform to our requirements. For an LNA in lieu of the original Note, acceptable evidence is a copy of an email from Freddie Mac confirming our acceptance of the LNA in place of the Note.
3. Verify that the chain of Note endorsements is unbroken, begins with the original payee and ends with an endorsement in blank.
4. Verify that the loan is registered with MERS or that the chain of assignments is unbroken, begins with the original payee of the loan and ends with an assignment to the Transferee Servicer. See Guide Chapter 4201 for details.
5. Notify the Transferee Servicer of any discrepancies with the Notes and assignments: do not certify until resolved by the Transferee Servicer.
6. Once all issues are resolved and recertification is complete, forward the original [Form 1034T](#) to Freddie Mac within 180 days of the Effective Date of Transfer for a TOS or 180 days of receipt of written notice from the Servicer or Freddie Mac of a transfer of custody. See [Guide Section 7101.9](#) and Chapter 3.

For a TOS that does *not* involve a transfer of custody, the Document Custodian may omit items 2 and 3.

Note: The Transferor Document Custodian must cooperate with the Transferee Document Custodian for a smooth and orderly transfer and work with all parties, as necessary, to cure any document deficiencies prior to recertifying the Notes.

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Transfers of Servicing of MERS-Registered Mortgages

| If the TOS is ... | And the Mortgage was ... | Then the Transferee Document Custodian Needs ... |
|--------------------------------|---|---|
| MERS member to MERS member | Recorded in MERS' name via a standard assignment | <ul style="list-style-type: none"> ▪ The original assignments to MERS ▪ Intervening Assignments from transfers occurring before the Mortgage was registered on MERS ▪ Notice that the Transferee Servicer will hold the assignments for its MERS-Registered Mortgages (no Assignments required) |
| | Originated on a security instrument that named MERS as Mortgagee of Record | <ul style="list-style-type: none"> ▪ Notice from the Transferee Servicer that the Mortgage was closed with MERS as Mortgagee of Record ▪ Intervening Assignments from transfers that involved Servicers that were not members of MERS |
| Non-MERS member to MERS member | Recorded in MERS' name via a standard assignment | <ul style="list-style-type: none"> ▪ The recorded assignment to MERS (usually from Transferor Servicer to MERS, if the Transferor and Transferee Servicers agree to forego assignment from the Transferor to the Transferee Servicer and assignment from the Transferee Servicer to MERS) ▪ Any Intervening Assignments |
| | Closed on a security instrument that named MERS as original Mortgagee of Record | This scenario would not happen for recently originated mortgages |

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| If the TOS is ... | And the Mortgage was ... | Then the Transferee Document Custodian Needs ... |
|---|--|--|
| To MERS member that holds the Assignments for MERS-registered Mortgages | Originated on a security instrument that named MERS as original Mortgagee of Record or Recorded in MERS' name via a standard assignment | <ul style="list-style-type: none"> ▪ Notice that the Transferee Servicer will hold Assignments for its MERS-registered mortgages (no Assignments required) |
| MERS member to non-MERS member | Recorded in MERS' name via a standard assignment or Closed on a Security Instrument naming MERS as Mortgagee of Record | <ul style="list-style-type: none"> ▪ Recorded Assignment from MERS to the Transferee Servicer ▪ Intervening Assignments from servicing transfers before the Mortgage was MERS-registered |

Recertification Extension Requests

If recertification of Notes cannot be completed by the 180-day deadline, the Transferee Document Custodian must notify Freddie Mac in advance to request an extension. The request must include a detailed description of the issues outstanding for each Note and actions taken to resolve them and the Seller/Servicer's number, contact name, address, phone number, and email address. The Servicer is ultimately responsible for delivering the [Form 1034T](#) to us.

Document Custodians must submit a loan listing with each Extension Request form, indicating loan *exceptions* only. The loan file must include the following:

- Freddie Mac loan number
- Borrower's name
- Property address number and street
- Property address city
- Property address state
- Effective date of transfer
- Issue type
- Reviewed (Yes/No)
- Transferee Document Custodian comments
- Status provided by Servicer
- Freddie Mac comments

The Transfer of Servicing Extension Request and Issues Log is available at https://sf.freddiemac.com/content/assets/resources/doc/forms/tos_extension-request-form.doc. Send it with the loan file to Loan_Delivery_Funding_Ops@freddiemac.com.

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Termination of Tri-Party Agreements

If you receive notice that your Tri-Party Agreement is being terminated, forward the Notes files and Assignments you hold to a Transferee Document Custodian as instructed by the Servicer or Freddie Mac. [Form 1036](#), Request for Release of Documents, is not used for this type of release. You will receive written notice from Freddie Mac about the termination and where the Notes should be delivered.

You are not released from your obligations pursuant to Tri-Party Agreement until recertification of the transferred Notes is complete, which may be up to 180 days following physical transfer of the Notes.