



WHOLESALE ANNOUNCEMENT 2024-47

June 20, 2024

Freddie Mac Updates

Effective Date

Effective immediately

Update/Summary

Warranty of Completion Alternatives

- Freddie Mac has enhanced their requirements for verifying the completion of a property by providing completion alternatives for both appraisers and Borrowers. Appraisers may now use virtual technology to visually inspect and confirm the completion of new or proposed construction or required repairs on existing properties in lieu of an on-site inspection. Borrowers may use our updated Guide Form 400, Warranty of Completion of Construction or Repairs/Alterations, or other substantially similar form, to now confirm completion of construction or repairs for appraisal reports and completion of repairs for PDRs, both with supporting documentation

Effective Date

Effective for mortgages with note dates on or after September 5, 2024

Update/Summary

Flood Insurance Premium Used for Qualifying

- Due to the emerging risk of the rising rates of flood insurance, Freddie Mac is updating the Guide to state that if a flood insurance policy on the Mortgaged Premises shows a full risk premium and a discounted premium, the full risk premium, plus any fees and surcharges, must be used to calculate the housing expense-to-income and debt payment-to-income ratios

Should you have any questions, please reach out to your Account Executive or Client Manager