



WHOLESALE ANNOUNCEMENT 2026-40

April 21, 2026

Freddie Mac Update

Effective Date

Effective Immediately

Update:

Optional flood insurance

- Freddie Mac has updated the Guide to specify the premium for optional flood insurance is not required to be included in the monthly housing expense if coverage is not required in Section 4703.3. Previously, Section 5401.1 stated that the flood insurance premium must be included “when applicable.”

Asset accounts held in the name of a Living Trust

- Freddie Mac has specified for assets used as a basis for repayment of obligations in Section 5307.1, when asset accounts are held in the name of a Living Trust:
 - Such accounts are considered to be owned by the Borrower when the Borrower is the Settlor of the Living Trust
 - When the Borrower is a Living Trust, the Settlor is considered to be the owner of the accounts held in the name of the trust

Automobile lease payments

- Freddie Mac has added specificity for the treatment of an automobile lease payment to state that when the remaining balance is paid off/prepaid, the monthly lease payment may be excluded from the debt payment-to-income ratio.

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