

# Single-Family Form 16SF Instructions

## Annual Eligibility Certification Report

Seller/Serviceicers must comply at all times with applicable requirements of the Purchase Documents. The completion of Form 16SF, Annual Eligibility Certification Report, as of the fiscal year-end by each Freddie Mac Seller/Serviceicer is one such requirement set forth in Section 4.9 of the *Single-Family Seller/Serviceicer Guide* (Guide). Refer to the chart below and Guide Section 4.9 for more information about our annual eligibility reporting requirements.

Annual eligibility reporting includes the following documentation	From
<input type="checkbox"/> <b>Form 16SF</b>	Each Seller/Serviceicer <sup>1</sup>
<input type="checkbox"/> <b>Audited financial statements</b> Prepared in accordance with generally accepted accounting principles (GAAP). The financial statements must include the opinion of an Independent Public Accountant (IPA) based on an audit conducted in accordance with generally accepted auditing standards (GAAS).	Each Seller/Serviceicer <sup>1</sup> , except that: <ul style="list-style-type: none"> <li>■ A federally insured depository institution need not submit such statement and</li> <li>■ A Seller/Serviceicer that is approved only to sell Mortgages to Freddie Mac may submit Reviewed Financial Statements (as defined in the Guide Glossary).</li> </ul> <p>Each Seller/Serviceicer<sup>1</sup> that is a subsidiary of another institution and that is required to submit audited financial statements as noted above may submit audited financial statements prepared at the Seller/Serviceicer level or at its parent level, with a consolidating worksheet.</p>
<input type="checkbox"/> <b>Report on internal controls</b> This separate report states whether the IPA noted any material weaknesses during the audit of the financial statements and prepared in accordance with Interpretation 1 of SAS No. 60, "Communication of Internal Control Related Matters Noted in an Audit," titled, "Reporting on the Existence of Material Weaknesses" (AICPA, Professional Standards, vol. I, AU sec. 9325).	Each Seller/Serviceicer <sup>1</sup> required to submit audited financial statements.
<input type="checkbox"/> <b>Applicable Form 1107SF sections and attachments</b>	Each Seller/Serviceicer <sup>1</sup> that has unreported changes per Guide Sections 4.11 and 4.12. <i>Please do not submit Form 1107SF if you had no changes or you have already reported changes to us.</i>

<sup>1</sup>Includes, as applicable

- Active Seller/Serviceicers
- Seller/Serviceicers that are suspended from selling Mortgages to Freddie Mac, but are Servicing Mortgages for Freddie Mac

**Note:** Freddie Mac reserves the right to require financial information and other information relevant to the Seller/Serviceicer's eligibility, in addition to the Seller/Serviceicer's annual eligibility reporting requirements as listed here.

**Where to send your report:** Please refer to Guide Section 4.10 to determine where to submit your Annual Eligibility Certification Report (Form 16SF and attachments). If you are also filing the Form 1107SF, Change Notification Form, please refer to Guide Section 4.11.

**If you have questions:** Please direct questions regarding this form, or our eligibility reporting requirements, to our customer service line (800) FREDDIE [(800) 373-3343].

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## Definitions and Explanations

We have provided the following information to assist you in completing the Form 16SF. Please note that definitions and explanations below are for use with the Form 16SF only.

**Identification (Section 1):** Employer Identification Number (EIN) may also be referred to as Federal Taxpayer Identification Number. This is not to be a Social Security Number.

**Institution type (Section 3):** "Other" includes investment and finance companies, state-insured credit unions, etc.

**Servicing and Originations (Sections 5 and 6):**

**Conduit:** We consider you a conduit if you issue mortgage-backed securities backed by Mortgages that were originated by other entities.

**Mortgage Broker/Correspondent:** We consider you a Mortgage Broker/Correspondent if you receive an application for a Mortgage and subsequently transfer, assign, or sell the Mortgage to another lender. A Mortgage Broker/Correspondent may also perform one or more of the following: completely or partially take an application, process credit documents, underwrite the Mortgage and fund the Mortgage.

**Retailer:** If in the origination of Mortgages you take the Mortgage application, process credit documents, underwrite and fund the Mortgage, we consider you to be a retailer.

**Retail Home Mortgage:** Mortgages originated where your role is the Retailer (see above definition).

**Servicing Agent:** A Servicer that has received Freddie Mac's authorization to act on behalf of another Servicer in Servicing Mortgages purchased by Freddie Mac.

**Subprime Mortgage:** A first or second Mortgage secured by real property that is made to Borrowers with significant past or current credit problems or to Borrowers with unconventional borrowing needs, with an original unpaid principal balance that does not exceed the maximum original loan amount for Mortgages eligible for delivery to Freddie Mac. If the loan amount exceeds the maximum original loan amount deliverable to Freddie Mac, and it has other subprime characteristics as noted above, please report it in the jumbo Mortgage column. Do not include Mortgages in this category solely due to a delinquent status.

**Wholesaler:** We consider you a wholesaler if you purchase Mortgages originated by another lender with the intent of selling the Mortgage. A wholesaler may also fund the Mortgage of the other lender.

**Originations (Section 6, Chart):** *Note: If your loan classifications do not match those indicated on the chart, please complete as much information as possible and include at a minimum your total Home Mortgage originations volume. See also definition of Subprime Mortgage above.*

**Alt-A Mortgage:** A Mortgage that generally conforms to agency prime credit guidelines, although the LTV, loan documentation, occupancy status or property type, etc., may not meet all of the underwriting standards applicable to a prime mortgage, with an original unpaid principal balance that does not exceed the maximum original loan amount for Mortgages eligible for delivery to Freddie Mac. If the loan amount exceeds the maximum original loan amount deliverable to Freddie Mac, and it has other Alt-A characteristics as noted above, please report it in the jumbo Mortgage column.

**First Mortgage:** A Home Mortgage that gives the mortgagee a security right over all other Mortgages of the mortgaged property.

**Jumbo Mortgage:** A Home Mortgage with an original unpaid principal balance that exceeds the maximum that can be purchased by Freddie Mac.

**Second Mortgage:** A Mortgage that is subordinate to a first Mortgage.

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## Definitions and Explanations (Continued)

### Ownership (Section 10):

**Minority-owned institution:** An institution in which

- More than 50 percent of the ownership or control is held by one or more minority individuals, and
- More than 50 percent of the net profit or loss accrues to one or more minority individuals

**Women-owned institution:** An institution in which

- More than 50 percent of the ownership or control is held by one or more women, and
- More than 50 percent of the net profit or loss accrues to one or more women, and
- A significant percentage of the senior management positions are held by women

**Community-oriented lending institution:** An institution that has as a primary mission promoting community development. Community-oriented lending institutions include, without limitation,

- Community development financial institutions
- Community development corporations
- State and local housing finance agencies or other state and local instrumentalities engaged in financing housing in targeted areas or for targeted populations
- Nonprofit institutions engaged in financing housing in targeted areas or for targeted populations
- Low-income credit unions that serve predominantly low-income members (as defined by the National Credit Union Administration Board pursuant to section 101[5] of the Federal Credit Union Act, 12 USCS § 1752 [5]).

### Warehouse Lenders (Section 14)

**Warehouse Lender:** A warehouse lender is the bank or other financial institution that has entered into an agreement with the Seller such that the bank or other financial institution receives a security interest in Mortgages that are thereafter offered for sale to Freddie Mac.



# Single-Family Form 16SF

## Annual Eligibility Certification Report

**1. Identification** (If this address is new, attach section A of Form 1107.)

Seller/Servicer Number 	Additional Seller/Servicer Numbers Assigned to This Institution (exclude subservicers)	Employer Identification Number (EIN)   -
Seller/Servicer Name		Date Fiscal Year-Ends (Month/Day/Year)
Principal Office Address		Mailing Address (if different from principal address)
City, State, Zip		City, State, Zip

**2. Parent Information**

Name of direct parent: \_\_\_\_\_  
 Name of ultimate parent: \_\_\_\_\_

**3. Institution type** (Please check boxes below that apply to your institution)

- Federally insured depository institution
- Mortgage banking company that is a(n):
  - Subsidiary or parent of a depository institution or part of a bank or thrift holding company
  - Other privately or publicly held company
- Other: Please specify type (insurance company, housing agency, etc.) \_\_\_\_\_

**4. Contacts** Please provide the below information on your Chief Executive Officer, Chief Financial Officer, and division heads or equivalents in the following Mortgage-related functions: production, underwriting, secondary marketing, servicing, primary Freddie Mac business contact, and Loan Prospector business contact (Please attach the addresses of contacts if different from Section 1 above.)

Name and Title <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.	Office E-mail Address	Telephone Number ( ) FAX Number ( )
Name and Title <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.	Office E-mail Address	Telephone Number ( ) FAX Number ( )

**5. Servicing** (See definitions in instructions.)

- a) Do you use a Servicing Agent(s) to perform your Mortgage Servicing? Yes  No
- Servicing Agent's name(s) and Seller/Servicer number(s): \_\_\_\_\_
  - Is the above Servicing Agent affiliated with your institution? Yes  No
  - Has Freddie Mac approved your Servicing Agent via Form 479A? Yes  No
- b) If you are active in servicing subprime Mortgages, what is the total UPB of your subprime portfolio? \_\_\_\_\_
- c) What servicing platform do you employ? \_\_\_\_\_
- d) How do you send your investor reporting data to Freddie Mac?  
 Service Bureau       Self-report  
 If you self-report, how do you transmit your data?       Midanet for the PC       GCS  
     Goldworks      Other \_\_\_\_\_
- e) What is your 1-4 Family and Multifamily servicing aggregate unpaid principal balance for mortgages held in portfolio and serviced for others? \$ \_\_\_\_\_

f) Do you service any participation loans?  
 Yes If yes, approximately what percentage of total Mortgages serviced are participation loans? \_\_\_\_\_  
 No

g) Where do you maintain the original documents required pursuant to Section 52.2 of the Guide for the Mortgages you service for Freddie Mac? (This does not include the location of documents required to be held by Freddie Mac or a Document Custodian)  
 Onsite  
 Other location (Please specify street address) \_\_\_\_\_

h) Where do you maintain the servicing files for the Mortgages you service for Freddie Mac?  
 Onsite  
 Other location (Please specify street address) \_\_\_\_\_

i) Provide the street address for all locations from which you service Mortgages for Freddie Mac. Specify the servicing activities performed at each location. \_\_\_\_\_

j) Do you image any of the documents and records or otherwise maintain copies of documents and records that are reproduced from the originals by any other photographic, photostatic, microfilm, microfiche, optical disk, laser disk or digital image storage process pursuant to Section 52.2 of the Guide?  
 Yes. If yes, please specify  
     ▪ The process (i.e. imaged, microfilm, etc.) \_\_\_\_\_  
     ▪ The street address of where the imaged records are stored \_\_\_\_\_  
 No

k) Are any of the servicing activities for the Mortgages serviced for Freddie Mac performed on your behalf by a provider that performs the servicing activities outside the United States and its territories?  
 Yes. If yes, please specify  
     ▪ The servicing activities that are performed \_\_\_\_\_  
     ▪ The name of the service provider performing the activities \_\_\_\_\_  
     ▪ The city and country where those activities are performed \_\_\_\_\_  
 No

l) What servicing vendors do you use for Borrower escrow management (taxes, insurance, flood)? \_\_\_\_\_

m) Do you use a third-party mortgage servicing rights (MSR) valuation company?  
 Yes If yes, which company \_\_\_\_\_  
 No

n) Do you use a third party to hedge your MSR assets?  
 Yes If yes, provide name of company \_\_\_\_\_  
 No

**6. Originations** (See definitions in instructions.)

<i>Mortgages originated for the most recent calendar year</i>	<b>Conventional Conforming</b>		<b>FHA/VA</b>		<b>Jumbo</b>		<b>Subprime</b>		<b>Alt-A</b>	
	# Loans	\$(000)	# Loans	\$(000)	# Loans	\$(000)	# Loans	\$(000)	# Loans	\$(000)
Fixed rate (incl. balloons)										
Adjustable Rate (ARMs)										
<b>Total Originations</b>										

- What percentage of your Home Mortgage originations was retail? \_\_\_\_\_
- What was the aggregate unpaid principal balance of your Multifamily originations for the year? \$ \_\_\_\_\_
- If you are involved with subprime loan origination, what is your role? (Check all that apply):  
 Wholesaler       Mortgage Broker/Correspondent       Retail       Conduit

**7. Funds custodian information.** Please complete the information below for all Freddie Mac Custodial Accounts that are currently open. If funds are being held in-house, please indicate your institution as the depository.

Depository Name	City, State	ABA Number	Account Type (P&I, Escrow, Clearing, Buydown)	Account Number

**8. Document Custodian information.**

Has your note Custodian changed in the past 12 months?

Yes  No

Does Freddie Mac hold your notes?

Yes  No

If no, please complete the information below for your note Custodian.

S/S Number	Custodian Name	Custodian Number	Custodial Agreement Number

**9. Other Investor information.** Please list the top five entities to which you have sold Home Mortgages, the % of Home Mortgages sold to those entities, and the % of Home Mortgages held in portfolio in the past year:

Investor Name	% Home Mortgages (in 10% increments, 10%, 20%, 30%, etc.)
Held in portfolio	

What was your total 1-4 Family and Multifamily sales volume to all investors for the year? \$ \_\_\_\_\_

**10. Ownership** (See definitions in instructions. Please check all applicable boxes.)

- Minority-owned institution
  - African Americans
  - Native Americans: including American Indians, American Eskimos, American Aleuts and Native Hawaiians
- Women-owned institution
- Community-oriented lending institution
- None of the above
- Hispanic Americans
- Asian-Pacific Americans
- Asian-Indian Americans

**11. Insurance.** Please provide the following information on insurance coverages for your institution.

Fidelity Bond Policy Information

Provider	Policy Number	Coverage Amount	Deductible	Expiration Date of Policy

Errors & Omissions Policy Information

Provider	Policy Number	Coverage Amount	Deductible	Expiration Date of Policy

Insurance Broker/Agent Information:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: ( ) - \_\_\_\_\_

**12. External Auditor.** Please identify your external auditor.

Name of firm	Address	Contact Person	Telephone Number
			( ) - _____

Is this a change from the previous year?

Yes  No

If yes, please indicate reason: \_\_\_\_\_

**13. Attachments.** Indicate what information you are submitting in conjunction with this Form 16SF to fulfill Freddie Mac's annual eligibility reporting requirements. (See Guide Section 4.8 and instructions to this form.)

- Seller/Service's audited financial statements and report on internal control structure (if applicable) or reviewed financial statements
- Parent company's audited financial statements and report on internal control structure, together with consolidating worksheets (if Seller/Service is a subsidiary and not submitting audited financial statements prepared at the Seller/Service level)
- Form 1107SF (If you had no changes or you have already reported them, please do not attach.)
- No attachments are required

**14. Warehouse Lenders.** List your active Warehouse Lenders.

Name	City, State	Amount of commitment

Are you in compliance with the covenants of your warehouse line? Yes  No

If No, please explain: \_\_\_\_\_

**Change notification requirements**

Have you reported all changes since your last Form 16SF filing date, including but not limited to regulatory actions, mergers, acquisitions, changes in ownership, name, address, charter, external auditor and managing executives via the Form 1107SF (Seller/Service Change Notification)? Yes  No

**CERTIFICATION, CONSENT AND AGREEMENT**

The undersigned hereby certifies that the:

- (i) Information set forth in this Annual Eligibility Certification Report (including any required attachments thereto) is complete and correct; If the Seller/Service designates a Document Custodian for maintaining Freddie Mac Notes and assignments in accordance with the requirements of Sections 18.2, Custodian Eligibility, and 18.3, Contracting with a Custodian, then the Seller/Service also certifies its compliance with Guide Sections 18.3, Contracting with a Custodian, and 18.4, Seller/Service Responsibilities; and its designated Document Custodian's compliance with 18.2, Custodian Eligibility;
- (ii) Seller/Service accesses the electronic version of the Guide through the link on FreddieMac.com, or has arranged for a current subscription to the electronic Guide via AllRegs, and Seller has access to an up-to-date Guide. Seller/Service agrees to comply with all of the Guide provisions and requirements, as they may be amended from time to time, as a condition of continuing eligibility;
- (iii) Seller/Service is in compliance with the provisions and requirements set forth in the Guide, as they have been amended, including, but not limited to: Chapter 4, Seller/Service Institutional Eligibility; Chapter 48, Seller's In-House Quality Control Program; and Chapter 77, Establishing Investor Accounting Functions;
- (iv) With respect to the sale of Seasoned Mortgages, Seller/Service is in compliance with the provisions and requirements set forth in Section 36.8(b) of the Guide, Special Warranties Regarding the Sale of Seasoned Mortgages, as they have been amended;
- (v) Seller/Service employs business practices that promote fair lending, and does not discriminate in any manner relative to lending practices because of a Borrower's race, color, religion, sex, handicap, familial status, age or national origin;
- (vi) Seller/Service has policies and procedures in place to ensure that each mortgage that it originates, at the time that it was made, complied with applicable local, state and federal laws, including, but not limited to, all applicable predatory and abusive lending laws;
- (vii) Seller/Service is in compliance with all requirements of the Purchase Documents as that term is defined in the Guide;
- (viii) Seller/Service maintains a system of internal controls designed to ensure compliance with all applicable federal, state and local laws relating to data privacy and the safeguarding of Borrower personal information, including, without limitation, the Gramm-Leach-Bliley Act and all relevant implementing rules, regulations and guidance prescribed by the Seller/Service's regulator(s);
- (ix) All wire transfer instructions previously delivered to Freddie Mac by Seller/Service, whether in writing or in electronic form, for the transfer of funds or PCs to Seller/Service as payment for Mortgages purchased by Freddie Mac were executed by Seller/Service's duly authorized representative and are hereby confirmed by Seller/Service. In addition, all wire transfer instructions to be delivered to Freddie Mac by Seller/Service, whether in writing or in electronic form, for the transfer of funds or PCs to Seller/Service as payment for Mortgages to be purchased by Freddie Mac will be executed by Seller/Service's duly authorized representative.

Exceptions to compliance with the above-stated requirements are noted below:

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*(continue on additional sheets as necessary)*

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The Seller/Service provider acknowledges its obligation to correct any noncompliance issues identified above and intends to be in compliance with the above cited requirements by \_\_\_\_\_ (date).

I understand that Freddie Mac may require additional financial and other information.

I understand that any misrepresentation to Freddie Mac constitutes cause for suspension or disqualification to sell and/or service Mortgages for Freddie Mac and may be cause for Freddie Mac to exercise any other remedies available.

The Seller/Service provider consents to the use of "Electronic Records" and "Electronic Signatures", as defined in the federal Electronic Signatures in Global and National Commerce Act, in connection with the completion, execution, transmission and submission of this electronic Annual Eligibility Certification Report, Single-Family Form 16SF. In addition, the Seller/Service provider agrees that this electronic Annual Eligibility Certification Report, Single-Family Form 16SF, shall be subject to the requirements of Section 1.3 of the Guide as amended from time to time.

As the authorized representative of the Seller/Service provider, I agree that by typing my name in the "signature" box below and clicking on the button below entitled "I agree and submit", I have: (i) adopted the actions of typing my name in the "signature" box below and clicking on the button below entitled "I agree and submit" as my Electronic Signature; (ii) electronically signed and intended to sign this electronic Annual Eligibility Certification Report, Single-Family Form 16SF, as an Electronic Record, on behalf of the Seller/Service provider using an Electronic Signature; (iii) bound the Seller/Service provider to the provisions contained in this Electronic Record in the same manner that the Seller/Service provider would be bound if I had completed and signed an original paper Form 16SF in writing and delivered it to Freddie Mac; and (iv) transmitted and submitted this Electronic Record to Freddie Mac.

\_\_\_\_\_  
Signature of Authorized Officer:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Officer's Title:

\_\_\_\_\_  
Company Name:

\_\_\_\_\_  
Officer's Telephone No.:

\_\_\_\_\_  
Business Address:

\_\_\_\_\_  
Officer's Office E-mail Address:

\_\_\_\_\_  
"I agree and submit"  
\_\_\_\_\_