



Your Easiest Path
to Homeownership™

Guide Announcement

Issue Date 08/14/18

Effective Date As Noted

GA 2018-010

Holiday Closure, Freddie Mac Revisions and Fraud Trends

Purpose

This announcement includes the following topic:

- ✓ Holiday Schedule Reminder
 - ✓ Freddie Mac Rental Income Revision
 - ✓ Freddie Mac Maximum Number of Financed Properties
 - ✓ Recent Fraud Trends
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**Holiday
Schedule
Reminder**

MSI will be closed in observance of Labor Day

- ✓ **Monday, September 3, 2018**
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**Freddie Mac
Rental Income
Revision**

Effective with applications dated September 1, 2018 and after

Rental Income:

Extension of Effective date for rental income revisions announced in Bulletin 2017-12. Effective for Mortgages with Settlement dates on and after November 30, 2018. Please see attached Bulletins.

Freddie Mac Bulletin [2017-12](#)

Freddie Mac Bulletin [2018-1](#)

NOTE: Loans underwritten using current Freddie Mac rental income guidelines MUST close no later than November 29, 2018.

**Freddie Mac
Maximum
Number of
Financed
Properties**

Effective August 20, 2018

Per Freddie Mac Bulletin 2018-10,:

“For second home and Investment Property Mortgages, we currently limit the number of 1-to 4-unit financed properties that a Borrower individually is, and all Borrowers collectively are, obligated on to six (including the subject property and the Borrower’s Primary Residence).”

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Freddie Mac Maximum Number of Financed Properties, *continued*

“In response to Seller requests, we are increasing the maximum number of financed properties permitted to 10 provided that, when the number of financed properties is greater than six:

- The Mortgage must:
 - Be a Loan Product Advisor Mortgage with a Risk Class of Accept
 - Have a minimum Indicator Score of 720
 - The Seller must verify reserves of eight months of the monthly payment (as described in Section 5501.2(a)) on each additional second home and/ or 1- to 4-unit Investment Property that is financed and on which the Borrower is obligated.”
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Recent Fraud Trends

Recent fraud trends are showing an increase in the following:

- Fraud for convenience - forging signatures. MSI will not close or purchase a loan that includes a signature by someone who has forged another’s signature on any document. Forging includes, but is not limited to, cutting and pasting signatures and documents where an individual has signed the name of another person.

Prevention Recommendation: Review procedures to verify the prohibition of allowing the signing of documents on behalf of loan officers and/or anyone else.

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Recent Fraud Trends, *continued*

- Business email scams – wire fraud. As business email scams continue to grow, often the object of the scam is a real estate transaction. By impersonating parties to the transaction (i.e.: lender, real estate agent, title company, law firm, et al), the criminal will contact the borrower and request a wire be sent to a fraudulent account or request that the payment be changed from using a check to sending a wire. Also, lenders are increasingly receiving emails from individuals impersonating the closing/settlement agent and requesting borrower contact information.

Prevention Recommendation: Educate your borrower; ask them to be cautious when receiving emails. Tell the borrower to contact you immediately if they receive any closing or wire instructions via email. Advise them of the warning signs of a “spoofed” email account:

- *Emails that are poorly written: contain spelling and grammatical errors*
 - *Emails that come from a non-business account such as Gmail, AOL or Yahoo instead of “@company.com.”*
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Effective Dates As Noted within

Questions Retail – Please contact your Manager with any questions
Mod Corr – Please contact your Account Executive with any questions

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