

CHOICERenovation[®]

TERM OF BUSINESS (TOB) PATH

CHOICERenovation, our offering that allows renovation costs to be included in the mortgage loan amount, gives approved lenders the option to sell their loans prior to the completion of renovation projects. Please use this TOB path to help walk you through the steps necessary for Seller eligibility, recourse removal and extension requests.

Get Started

Contact your Freddie Mac account executive or 800-FREDDIE to start offering CHOICERenovation.

LENDER ELIGIBILITY PROCESS



Step 1: Lender contacts AE to request TOB eligibility.



Step 2: AE completes preliminary review and provides the **Seller Eligibility Application**—requests past two years of loan performance for renovation mortgages they've originated and/or serviced.



Step 3: Lender completes & submits application.



Step 4: Freddie Mac reviews application.



Step 5: AE notifies lender of their approval and lender receives the TOB*.

*Lenders that are not approved will be notified.

RECOURSE REMOVAL PROCESS



Step 1: Renovation work is complete. Final inspection is performed.



Step 2: Lender provides Freddie Mac with the certificate of completion and evidence of first-lien position. These are sent to CHOICERenovation@freddiemac.com



Step 3: If necessary, documentation is provided; lender receives notification once recourse has been removed*.

*If additional documentation is required, or the documentation does not meet the requirements, lender will be informed and recourse remains on the loan.

EXTENSION REQUEST PROCESS



Step 1: If a lender anticipates that a project will extend beyond 450 days from the Note Date, they should inform their AE as soon as possible. s AE to request TOB eligibility.



Step 2: The lender should provide the AE with 1.) a detailed description of why the project will be delayed, 2.) the new expected date of completion, 3.) if there are any changes to the scope of work, and 4.) submit the above in writing to CHOICERenovation@freddiemac.com



Step 3: Lender will be notified if their extension request is approved*.

*If the extension request is denied and the project extends beyond 450 days from the Note Date, the lender may be asked to repurchase the loan.