

Float-to-Fixed Loan – Loan Conversion Desk Reference

Introduction

This desk reference provides applicable information and guidelines on specific servicer responsibilities for the Float-to-Fixed loan product at the time of loan conversion from floating-rate payments to fixed-rate payments.

Information

- **Updated Appraisal Report** – When there is an “Appraisal” loan tracking item in PRS, you are required to order an updated/new appraisal report and upload the report to the Document Management System (DMS) prior to the conversion date. If the borrower is not seeking an Additional Proceeds Loan or if it is determined that the property does not qualify for an Additional Proceeds Loan, please observe and take the steps outlined in the General Guideline section of this document to get reimbursed for the cost of the updated appraisal report. **Note** – If the borrower is working with your underwriting group to determine if he is eligible for an Additional Proceeds Loan and it is determined that the property qualifies for such loan, an appraisal must be ordered as part of the standard underwriting process; confirm the appraisal is uploaded to DMS and comment accordingly in the Property Reporting System (PRS).
- **Assessments** – Freddie Mac will suspend all assessments in “Due” status in PRS that are tied to the Float Rate loan record and will create the assessments under the Fixed Rate loan record after the conversion date. You will be able to access historical assessments submitted under the Float Rate loan record in the “Accepted” queue of each assessment type.
- **Loan Compliance Items** – All tracking items that are still open/due under the Float Rate loan record will be closed and will be opened under the Fixed Rate loan record

General Guideline – Appraisal Report

1. Engage an appraiser for an appraisal service. The main purpose is to estimate the as-is Market Value of the subject property
2. Upload the Final Appraisal Report to DMS as “Appraisal Report” document type
3. Servicer to pay the appraisal fee
4. Complete and submit [Form 104](#) via email. Email should be sent to MF_Asset_Perf@freddiemac.com with the subject line “Appraisal Report – Refund Request”. The below listed backup documents are required to be attached to the email:
 - a. Copy of executed Assignment Agreement
 - b. Copy of invoice issued by the Appraiser