

Future Revision 01/01/27

REVISION NUMBER: 01012027 **DATE:** 01/01/2027

REVISION REMARKS: THIS CONTENT WILL BECOME EFFECTIVE ON 01/01/2027. CURRENT REQUIREMENTS APPEAR UNSHADED BELOW.

8202.1: General property insurance requirements (Future effective date 01/01/27)

This section contains information related to:

- [General property insurance requirements](#)
- [Mortgage clause](#)
- [Minimum insurance monitoring requirements](#)
- [Insurance charges covering the Mortgaged Premises](#)
- [Annual insurance reminder](#)

(a) General property insurance requirements

For as long as Freddie Mac owns a Mortgage, the Servicer must:

- I. Ensure that the Mortgaged Premises is covered by insurance meeting the requirements of Chapters 4703 and 8202, and
- II. Ensure property and flood, when applicable, insurance premiums are paid, and
- III. Obtain Lender-Placed Insurance (LPI) when required in accordance with applicable law, the Security Instrument and the Guide. See Section 8202.6 for LPI requirements.

Refer to:

- Section 4703.1 for requirements related to insurer licensing, assessments and ratings, and
- Section 4703.2 for minimum property insurance requirements, and
- Section 4703.3 for flood insurance requirements

(b) Mortgage clause

Servicers must ensure all insurance policies documenting insurance coverage(s) obtained in accordance with Freddie Mac's requirements for 1- to 4-unit properties include the insurance industry's standard Mortgage clause and meet the requirements outlined in Section 4703.6.

(c) Minimum insurance monitoring requirements

For each Freddie Mac-owned Mortgage it services, the Servicer must:

1. Confirm, at least annually (or upon policy renewal or replacement), that the Mortgaged Premises is insured and the coverage meets or exceeds the minimum insurance requirements outlined in Chapter 4703, and
2. Have reasonable policies, procedures and controls in place to:
 - I. Confirm insurance policies meet the minimum requirements in Chapter 4703
 - II. If an initial insurance review cannot determine whether an insurance policy meets the minimum requirements in Chapter 4703, obtain additional evidence of insurance.

If the Servicer must obtain additional evidence of 1- to 4-unit property insurance coverage sufficiency, it may, as an alternative or supplement to other methods of evidencing replacement cost, monitor the dwelling coverage limit for renewal policies. If the dwelling coverage limit compared to the prior year's policy has decreased, then the Servicer may not consider this as additional evidence of coverage sufficiency.

In instances where reasonable efforts to obtain additional evidence that the insurance policy meets the minimum requirements of Chapter 4703 have been exhausted and failed, the Servicer must document its efforts in the Mortgage file.
 - III. Notify the Borrower when the Servicer identifies a 1- to 4-unit property insurance policy that does not meet one or more of the following minimum requirements outlined in Sections 4703.1 and 4703.2:
 - Carrier licensing, assessment and rating
 - Coverage sufficiency
 - Perils
 - Deductibles

(d) Insurance charges covering the Mortgaged Premises

Premiums for insurance covering the Mortgaged Premises will be paid when due by Borrowers or the Servicer if the Servicer collects Escrows for such purposes.

Premiums for insurance obtained by a Planned Unit Development (PUD), condominium homeowners association or Cooperative Corporation for the benefit of the PUD, Condominium Project or Cooperative Project will be paid as a common expense apportioned to each unit owner or Shareholder.

If the Condominium Project is located in Puerto Rico, premiums for insurance for a condominium homeowners' association policy for the benefit of the Condominium Project may be paid by the Servicer if the Servicer collects Escrow for such purposes.

(e) Annual insurance reminder

At least annually, Servicers must provide a reminder to Borrowers of their responsibility to maintain insurance on the Mortgaged Premises and recommend they contact their insurance provider to review their coverage.

Servicers may include this reminder in any existing Borrower communication, refer the Borrower to applicable insurance information on the Servicer's website or direct the Borrower to insurance resources on Freddie Mac's website.

Servicers may deliver this notice via any method as permitted by applicable law, including, but not limited to, e-mail, text messaging, voice response unit technology or a Servicer's web portal.

Related Guide Bulletins	Issue Date
Bulletin 2026-6	May 6, 2026
Bulletin 2025-B	July 9, 2025
Bulletin 2020-20	June 3, 2020
Bulletin 2016-5	March 2, 2016