

Bulletin

TO: Freddie Mac Servicers

May 14, 2020 | 2020-16

SUBJECT: TEMPORARY SERVICING GUIDANCE RELATED TO COVID-19

Bulletins 2020-4, 2020-7 and 2020-10 provided temporary Servicer guidance in response to the National Emergency Declaration resulting from the outbreak and spread of COVID-19. As we continue to monitor and assess the situation, and in response to Servicer questions, with this Bulletin we are providing additional clarity on the following items:

- [Extension to the COVID-19 foreclosure moratorium](#)
- [Property inspections for delinquent Mortgages](#)
- [EDR reminder – reporting Mortgages impacted by COVID-19](#)
- [Property valuations for short sales and deeds-in-lieu of foreclosure](#)
- [HAMP good standing for Mortgages on a COVID-19 forbearance plan, repayment plan, or COVID-19 Payment Deferral](#)
- [National Emergency Declaration effective date](#)

EFFECTIVE DATE

All of the changes announced in this Bulletin are effective immediately unless otherwise noted.

EXTENSION TO THE COVID-19 FORECLOSURE MORATORIUM

We are extending the foreclosure moratorium announced in Bulletins 2020-4 and 2020-10. Servicers must suspend all foreclosure actions, including foreclosure sales, through **June 30, 2020**. This includes initiation of any judicial or non-judicial foreclosure process, move for foreclosure judgment or order of sale. This foreclosure suspension does not apply to Mortgages on properties that have been determined to be vacant or abandoned.

PROPERTY INSPECTIONS FOR DELINQUENT MORTGAGES

In Bulletin 2020-7, we announced that Freddie Mac was temporarily relieving Servicers from their responsibility to complete property inspections for delinquent Mortgages as described in Section 9202.12 as a result of the COVID-19 pandemic. With this Bulletin we are expanding upon our previous announcement. Effective immediately, Servicers **must not** complete property inspections on a Mortgaged Premises where the Borrower is experiencing a hardship related to COVID-19 unless as of the effective date of the National Emergency declaration effective date (March 1, 2020):

- The Mortgage was delinquent, and
- The property was confirmed to be vacant or abandoned.

For a Mortgaged Premises where the Mortgage was delinquent and the property was confirmed to be vacant or abandoned, the Servicer must complete delinquent property inspections in accordance with Bulletin 2020-7.

EDR REMINDER – REPORTING MORTGAGES IMPACTED BY COVID-19

As a reminder, Servicers must notify Freddie Mac when a Borrower has a COVID-19 related hardship, in accordance with our requirements as described in Bulletin 2020-4, by reporting **default reason code 032**. Additionally, if a Mortgage is subject to a COVID-19 related hardship and is on an active forbearance plan, required reporting (in compliance with our

Electronic Default Reporting requirements) **must include both default reason code 032 and default action code 09, forbearance.**

PROPERTY VALUATIONS FOR SHORT SALES AND DEEDS-IN-LIEU OF FORECLOSURE

When obtaining a property valuation as part of a short sale or deed-in-lieu of foreclosure, Freddie Mac requires the Servicer to use an interior property valuation that Freddie Mac provides, as described in Sections 9208.5(a) and 9209.5(a). Due to the COVID-19 pandemic, we are temporarily using external valuations in some cases. In these instances, Servicers must use the valuation we provide, even if it is not an internal valuation.

HAMP GOOD STANDING FOR MORTGAGES ON A COVID-19 FORBEARANCE PLAN AND TRANSITION TO A REPAYMENT PLAN OR A COVID-19 PAYMENT DEFERRAL

If the Borrower's Mortgage was previously modified under the Home Affordable Modification ProgramSM (HAMP[®]) and the Borrower is in "good standing" when they entered into a COVID-19 forbearance plan, then the Borrower will not lose good standing while on the active forbearance plan, even if the Borrower becomes more than 90 days delinquent. Additionally, the Borrower will not lose "good standing" if they transition directly from a COVID-19 forbearance plan to:

- A reinstatement, or
- An active repayment plan, or
- A settled COVID-19 Payment Deferral

If the Borrower successfully transitions directly from a COVID-19 forbearance plan to a reinstatement, repayment plan or COVID-19 Payment Deferral, the Borrower will not lose good standing while the relief option is active or upon completing the relief option to become current. If the COVID-19 forbearance plan expires without transitioning directly to one of these solutions, or if the Borrower does not successfully reinstate the Mortgage as a result of one of these options, then the Borrower will lose "good standing."

NATIONAL EMERGENCY DECLARATION EFFECTIVE DATE

In Bulletins 2020-4 and 2020-7, we communicated the following requirement as relates to evaluations for Borrowers with a COVID-19 related hardship for the Extend Modification, the Capitalization and Extension Modification (Cap and Extend), and streamlined Flex Modification evaluations for Borrowers:

- The Borrower must have been current or less than 31 days delinquent (i.e., must not have missed more than one monthly payment) as of the date of the National Emergency Declaration related to COVID-19, **March 13, 2020**

Effective immediately, we are revising this requirement to reflect the following:

- The Borrower must have been current or less than 31 days delinquent (i.e., must not have missed more than one monthly payment) as of the date of the COVID-19 National Emergency Declaration effective date, **March 1, 2020**

This change also applies to Extend Modification and Cap and Extend Modification evaluations described in the "Borrower Contact Requirements and Loss Mitigation Hierarchy" section in Bulletin 2020-4, and to any other previous reference to the March 13 date. As a reminder, per Bulletin 2020-15 the Extend Modification and the Cap and Extend will be replaced in the COVID-19 evaluation hierarchy for all evaluations conducted on and after July 1, 2020.

ADDITIONAL RESOURCES

We encourage Servicers to review the following COVID-19 resources:

- Freddie Mac Single-Family web page on [COVID-19 resources](#)
- Freddie Mac [Servicing FAQs](#) on COVID-19
- [Joint guidance and FAQs](#) for Servicers during the COVID-19 crisis issued by federal and State regulators, including the Consumer Financial Protection Bureau

GUIDE UPDATES

The Guide will not be updated at this time to reflect these changes.

CONCLUSION

We appreciate the support that Servicers continue to extend to Borrowers coping with hardships attributed to COVID-19. If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call the Customer Support Contact Center at 800-FREDDIE.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Maguire", with a long horizontal flourish extending to the right.

Bill Maguire
Vice President, Servicing Portfolio Management