

Bulletin

TO: Freddie Mac Servicers

June 24, 2020 | 2020-25

SUBJECT: TEMPORARY SERVICING GUIDANCE RELATED TO COVID-19 AND EDR CLARIFICATIONS FOR ALL HARDSHIP REASONS

Guide Bulletins 2020-4, 2020-7, 2020-10, 2020-15, 2020-16 and 2020-21 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 announcing an extension to the [COVID-19 foreclosure moratorium](#).

We are also providing the guidance regarding EDR requirements that apply to all eligible hardship reasons, including COVID-19 related hardships for:

- [EDR reporting of a Mortgage that is current](#) – **October 1, 2020**
- Required EDR reporting when sending a [streamlined offer for a Freddie Mac Flex Modification®](#)

EFFECTIVE DATE

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

EXTENSION OF THE COVID-19 FORECLOSURE MORATORIUM

We are extending the foreclosure moratorium announced in Bulletins 2020-4, 2020-10 and 2020-16. Servicers must suspend all foreclosure actions, including foreclosure sales, through **August 31, 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.

EDR

Current Mortgages

Effective October 1, 2020

In response to Servicer inquiries, we are clarifying that Guide Section 9102.7 requires Servicers to report all alternatives to foreclosures, which includes forbearance plans, via EDR, on all Mortgages, including those that are not delinquent. Additionally, we are updating our reporting requirements to require Servicers to include the reason for default when reporting a forbearance via EDR, regardless of delinquency status or length. These updated requirements apply to all Mortgages regardless of the reason for default.

Within the first three Business Days each month, Servicers must report all status and event codes for Mortgages that are on a forbearance plan in the prior month, including Mortgages that are not delinquent.

Servicers must include the following information when reporting a forbearance to Freddie Mac:

- Default reason code (see Guide Exhibit 82, *Electronic Default Reporting Transmission Code List*)
- Default action code: 09 (Forbearance)
- Default action date - Servicers must report the Due Date of the first payment due under the forbearance plan. For Mortgages with Due Dates other than the first day of the month, Servicers must report the default action date as the first day of the month in which the payment is due.

Note: If the Servicer has previously reported Mortgages on forbearance plans that do not reflect the default action date as outlined above, the Servicer must update the default action date in their next EDR submission.

For example, the Servicer should report the following for a Borrower who is current on his/her June 2020 payment* and requests the Servicer on June 24, 2020 to be placed on a forbearance plan beginning with his/her July 1, 2020 payment due to COVID-19 related hardship:

- Default reason code: 032 (National Emergency Declaration)
- Default action code: 09 (Forbearance)
- Default action date: 7/1/2020

*If the Borrower has not made his/her June 2020 payment, the Servicer would report 6/1/2020 as the default action date.

Servicers must continue to report this information each month until the forbearance plan has ended or until the Mortgage is current and no longer on a forbearance plan.

Servicers are encouraged to adopt these reporting requirements immediately but must do so no later than their October 2020 EDR submission, which reflects September 2020 activity.

We will update Section 9102.7 and Exhibit 82 in a future Bulletin.

Streamlined offer for a Flex Modification

In light of the COVID-19 pandemic and potentially higher volumes of Borrowers transitioning from forbearance plans, we are emphasizing to Servicers our EDR reporting requirements pertaining to streamlined offers for a Freddie Mac Flex Modification®. When a Servicer is evaluating or has sent a streamlined offer for a Flex Modification, the Servicer must report default action code HD (Modification in review) to notify Freddie Mac that the Borrower is being evaluated for a modification. Servicers must report this code along with the date they began reviewing the Borrower for the modification. Additionally, we are expanding this requirement so that Servicers must continue to report the “HD” code until the streamlined offer expires, or until the Borrower enters into a Trial Period Plan.

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

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,



Bill Maguire

Vice President, Servicing Portfolio Management