

Bulletin

TO: Freddie Mac Sellers

July 9, 2020 | 2020-27

SUBJECT: UPDATES REGARDING TEMPORARY COVID-19-RELATED REQUIREMENTS FROM PREVIOUS BULLETINS

We continue to work closely with Fannie Mae under the guidance and direction of the FHFA to address the ongoing economic implications and uncertainty related to the coronavirus disease (COVID-19) pandemic and its impacts on Borrowers and the Mortgage origination process. This Bulletin provides updates regarding certain temporary COVID-19-related requirements and flexibilities announced in previous Bulletins, including:

- The extension of the effective dates for previously announced [temporary requirements and flexibilities](#)
- The process for verifying that a [self-employed Borrower's business is open and operating](#)
- The extension of the effective date for Sellers' [post-funding quality control requirements](#)

We are also reminding Sellers of additional resources, including our [Selling FAQs](#) related to COVID-19, which were recently updated to include guidance related to the following:

- Self-employed Borrowers, and
- Assessment of fluctuating employment income (fluctuating hourly income, commission, bonus, overtime and tip income) during the pandemic based on the existing requirements of Guide Sections 5303.2(b), 5303.3 and 5303.4

Note Date references

All references to the Note Date refer to the modification date for Seller-Owned Modified Mortgages, the Conversion Date for Seller-Owned Converted Mortgages, the Effective Date of Permanent Financing for Construction Conversion and Renovation Mortgages, or the assumption agreement date.

Extension of temporary provisions from previously published Bulletins

In Bulletin 2020-23, we extended the effective date for some previously announced temporary requirements to Mortgages with Application Received Dates through July 31, 2020.

We are further extending the effective date for Mortgages with Application Received Dates through **August 31, 2020** for the following:

- Credit underwriting requirements and guidance announced in Bulletins 2020-5 and 2020-8, except that the requirement for verification of the self-employed Borrower's business being open and operating is amended as stated below
- Appraisal and GreenCHOICE Mortgage® flexibilities announced in Bulletins 2020-5, 2020-8 and 2020-11
- Condominium Project flexibilities announced in Bulletin 2020-11
- Power of attorney flexibilities announced in Bulletin 2020-8

Self-employed Borrowers: verification the business is open and operating – updated

Effective immediately and remains in place for Mortgages with Application Received Dates on or before August 31, 2020.

In Bulletin 2020-8, we announced that Sellers must now take additional steps to confirm that the Borrower's business is open and operating within 10 Business Days prior to the Note Date.

Effective immediately, we are updating this temporary requirement to permit the confirmation to take place within 20 Business Days prior to the Note Date to ease timing constraints related to closings. Sellers are encouraged to continue to make this confirmation as close to the Note Date as possible.

Extension of temporary flexibilities regarding Seller's post-funding quality control requirements – targeted sampling through August 2020

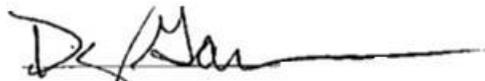
In Bulletin 2020-11, we announced temporary flexibilities for Seller's related to post-funding quality control reviews. The quality control flexibilities announced in Bulletin 2020-11 were effective immediately for all Mortgages currently in the process of a post-closing Seller in-house quality control review and were to remain in place for all Mortgages selected through June 2020 for post-closing Seller in-house quality control reviews. Bulletin 2020-23 extended this flexibility for Mortgages selected through July 2020.

These flexibilities will now remain in place for all Mortgages selected through **August 2020** for post-closing Seller in-house quality control reviews.

CONCLUSION

We appreciate the support that Sellers 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 'D. Gardner', with a long horizontal line extending to the right.

Danny Gardner
Senior Vice President, Client and Community Engagement