



TO: Freddie Mac Servicers

January 11, 2019 | 2019-2

SUBJECT: CREDIT REPORTING GUIDANCE RELATED TO THE FEDERAL GOVERNMENT SHUTDOWN

In response to questions and feedback from Servicers and other industry participants, we are issuing this Guide Bulletin to clarify our expectations and requirements with respect to credit reporting regarding Mortgages made to government employees and other workers impacted by the federal government shutdown (“shutdown”). These temporary requirements will provide Servicer guidance to assist Borrowers who have been impacted by the shutdown that began on December 22, 2018.

EFFECTIVE DATE

The credit reporting guidance announced in this Bulletin is effective immediately and will automatically terminate once the federal government resumes full operations.

Freddie Mac will continue to monitor the situation and may revise or revoke this temporary guidance if the shutdown extends for a prolonged period.

CREDIT REPORTING REQUIREMENTS

Freddie Mac extends to Servicers the flexibility to determine the best method for reporting to a credit repository the status of a Mortgage for a Borrower impacted by the shutdown. Servicers are permitted, but not required, to suppress credit reporting in these instances for the entirety, or a portion, of the period when the Mortgage is impacted by the shutdown. As is always the case, the Servicer must conduct all Servicing actions in accordance with applicable law including, but not limited to the Fair Credit Reporting Act and similar laws governing credit reporting.

CLARIFICATION REGARDING ELIGIBLE HARDSHIPS AND FORBEARANCE PLANS

In response to questions from industry participants, we are clarifying that Borrowers impacted by the shutdown do have an eligible hardship under existing Guide requirements. Borrowers impacted by the shutdown meet Freddie Mac’s forbearance hardship requirements under the “Reduction in Income” hardship, as described in Guide Section 9202.2. While we understand that the reduction or elimination of income for Borrowers impacted by the shutdown is temporary, it is still a hardship, and Servicers must work with impacted Borrowers who are unable to make their Mortgage payments to ensure they are evaluated for a forbearance plan.

CONCLUSION

We appreciate the understanding and consideration that Servicers continue to extend to Borrowers coping with the hardships imposed by the shutdown. In our continued efforts to support Borrowers and our Seller/Servicers, we will continue to monitor the shutdown and will issue additional guidance if necessary.

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 "Yvette W. Gilmore", with a long horizontal flourish extending to the right.

Yvette W. Gilmore
Vice President
Servicer Relationship and Performance Management