

Lender Letter (LL-2023-08)

Oct. 18, 2023

To: All Fannie Mae Single-Family Sellers/Servicers Representation and Warranty Enforcement Relief for Loans Impacted by a COVID-19 Forbearance

At the direction of FHFA and in alignment with Freddie Mac, we are announcing that loans previously or currently in a COVID-19 forbearance may be eligible for relief from enforcement of representations and warranties using the criteria that apply to loans subject to a disaster-related forbearance in *Selling Guide A2-3.2-02*, Enforcement Relief for Breaches of Certain Representations and Warranties Related to Underwriting and Eligibility (the “framework”).

Effective: The policy in this Lender Letter is effective immediately.

This policy applies the framework to loans that

- were reported by the servicer as entering a COVID-19-related forbearance between Mar. 13, 2020 and Oct. 31, 2023 (retirement date of the COVID-19 related forbearance as communicated in [LL-2023-03](#));
- are active and owned by Fannie Mae (that is, loans have not paid in full, been repurchased or otherwise liquidated);
- were either delivered as a COVID-19 related forbearance loan (in accordance with the requirements of Lender Letter 2020-06) or entered a COVID-19 related forbearance plan after delivery to Fannie Mae; and
- meet the requirements to obtain relief that apply to loans subject to a disaster-related forbearance.

NOTE: *With this Lender Letter, we are expanding the list of eligible loss mitigation solutions that can be used to bring the loan current following a disaster-related forbearance or a COVID-19 related forbearance to include a disaster payment deferral or a COVID-19 payment deferral.*

The following table provides guidance on various loan scenarios and eligibility for relief under this temporary policy. Note that lenders are not relieved from the enforcement of breaches of representation and warranties on any loan, including eligible loans, with respect to life-of-loan representations and warranties as outlined in [A2-2-07](#), Life-of-Loan Representations and Warranties.

Scenario for Loans Impacted by a COVID-19 Forbearance	Eligible for Enforcement Relief	Fannie Mae Action for Loans Meeting Criteria for Enforcement Relief under the Framework
Loan is currently subject to an outstanding repurchase request issued after the loan would have achieved representation and warranty enforcement relief under the framework.	Eligible	We will issue a rescission of the outstanding repurchase request.
Lender accepted a repurchase alternative.	Eligible	Loan is eligible for relief under the framework provided the requirements of the repurchase



Scenario for Loans Impacted by a COVID-19 Forbearance	Eligible for Enforcement Relief	Fannie Mae Action for Loans Meeting Criteria for Enforcement Relief under the Framework
		alternative agreement have been met. Fees paid as part of the repurchase alternative will not be refunded.
Loan has never been selected for review and has achieved enforcement relief under the framework as outlined in this Lender Letter.	Eligible	Loan is eligible for relief. Note that we may perform loan file reviews for quality assurance and audit purposes both before and after a loan obtains enforcement relief under the framework; however, we cannot issue a repurchase demand or seek an alternative remedy unless the deficiency qualifies as a breach of a life-of-loan representation and warranty.
Loan is subject to an outstanding repurchase request issued prior to the date the loan would have qualified for relief under the framework in accordance with the requirements of this temporary policy.	Not Eligible	We will continue to work with the lender to remediate the repurchase request following standard processes.
Loan has already been repurchased by the lender.	Not Eligible	None. This temporary policy does not apply to any loan that has already been repurchased by the lender.

On or after Oct. 31, 2023, we will determine the final population of loans that now qualify for relief under the framework. No later than Jan. 31, 2024:

- Loan Quality Connect™ will be updated to reflect rescinded repurchase requests, and
- Fannie Mae Connect™ will begin reporting the loan-level status of representation and warranty relief for impacted loans.

Lenders may contact their Fannie Mae Account Team if they have questions about this Lender Letter. Have guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).