

Bulletin

TO: Freddie Mac Sellers

October 18, 2023 | 2023-21

SUBJECT: REPRESENTATION AND WARRANTY ENFORCEMENT RELIEF FOR MORTGAGES IMPACTED BY A COVID-19 FORBEARANCE

At the direction of the FHFA and in alignment with Fannie Mae, we are announcing that, similar to our requirements for Mortgages subject to a disaster-related forbearance plan, Mortgages previously or currently in COVID-19 forbearance may be eligible for relief from enforcement of representations and warranties under the representations and warranties framework (“the framework”) as described in Guide Section 1301.11 and this Guide Bulletin.

The provisions of this Bulletin are effective immediately.

Payments missed during COVID-19 forbearance

Solely for the purpose of determining whether the acceptable payment history requirements in Section 1301.11 are met, payments due during the COVID-19 forbearance period are considered to have been made on time, provided that:

- The Mortgage was reported by the Servicer as having entered a COVID-19 forbearance between March 13, 2020 and October 31, 2023
- The Mortgage is active (i.e., the Mortgage has not been paid in full, repurchased or otherwise liquidated)
- The Mortgage was either delivered as a Mortgage in forbearance in accordance with the requirements of Bulletin 2020-12 or was placed into a COVID-19 forbearance plan after delivery to Freddie Mac
- The Mortgage is fully reinstated, as described in Section 9203.3, or restored to a current status:
 - As a result of completion of a repayment plan, or
 - By transitioning into a permanent modification, or
 - By completing a COVID-19 Payment Deferral
- The Mortgage meets all other eligibility requirements under the framework, as described in Section 1301.11

The following table provides eligibility guidance and examples:

Example scenarios for Mortgages with a history of COVID-19 forbearance during the applicable payment history period	Eligibility for relief	Freddie Mac action for Mortgages
Mortgage has never been selected for quality control review and meets the eligibility requirements for relief under the framework as updated by this Bulletin.	Eligible	Freddie Mac will not enforce remedies for breaches of selling representations and warranties listed in the table in Section 1301.11(a).
Mortgage is subject to an outstanding repurchase request for a breach of a selling representation and warranty listed in the table in Section 1301.11(a), the repurchase request was issued after the Mortgage would have met the eligibility requirements for relief under the framework as updated by	Eligible	Freddie Mac will rescind the repurchase request.



Example scenarios for Mortgages with a history of COVID-19 forbearance during the applicable payment history period	Eligibility for relief	Freddie Mac action for Mortgages
this Bulletin, and the Mortgage has not yet been repurchased.		
Mortgage was reviewed by Freddie Mac quality control and remediated by a repurchase alternative.	Eligible	Freddie Mac will not enforce remedies for breaches of selling representations and warranties listed in the table in Section 1301.11(a), provided the requirements of the repurchase alternative agreement have been met. No fees paid as part of the repurchase alternative will be refunded.
Mortgage is subject to an outstanding repurchase request issued prior to the date the Mortgage would have met the eligibility requirements for relief under the framework as updated by this Bulletin.	Not Eligible	Freddie Mac will continue to work with the Seller to remediate the repurchase request following standard processes.
Mortgage has already been repurchased by the Seller.	Not Eligible	None

Seller notification about the impacted Mortgages

On or after October 31, 2023, Freddie Mac will determine the final population of Mortgages that now qualify for relief from enforcement of representations and warranties based on the updated payment history requirements described above. No later than January 31, 2024, Sellers will be able to see the loan-level status of representation and warranty relief for impacted loans in Loan Coverage Advisor®, where they can export and filter detailed loan information. A notice will be published on the landing page of Loan Coverage Advisor when all updates have been completed.

Loan Coverage Advisor will subsequently be updated to show rescinded repurchase requests, as applicable. The rescinded repurchase requests will also be viewable in Quality Control Advisor®.

Disaster Payment Deferral

We are also notifying Sellers that a Disaster Payment Deferral is an acceptable loss mitigation solution that can be used to bring the Mortgage current following a disaster forbearance for the purpose of achieving relief from enforcement of representations and warranties in accordance with Section 1301.11.

CONCLUSION

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,



Kevin Kauffman
Vice President, Single-Family Client Engagement