

# Bulletin

To: Freddie Mac Servicers

September 11, 2024 | 2024-G

## SUBJECT: SERVICING UPDATES

This Guide Bulletin announces:

- **Resolve®**
  - Added capability of [custom modifications functionality](#) – **December 9, 2024**
  - Freddie Mac Flex Modification® [cancelation requests](#)
  - The retirement of [Servicing tools](#) – **December 20, 2024**
- **Fraud and Suspicious Activity**
  - Updated requirements for reporting [suspected and confirmed fraud](#)
  - The introduction of the [Tip Referral Tool](#) – **September 30, 2024**
  - A revised requirement for [reporting findings within 30 days](#) – **November 4, 2024**

## EFFECTIVE DATE

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

## RESOLVE

### Custom modifications functionality

#### Effective December 9, 2024

Through our Reimagine Servicing® initiative, Freddie Mac continues to deliver additional capabilities to Resolve, our end-to-end default management solution that uses automation and seamless integration to deliver rapid results to Servicers. On December 9, 2024, the Resolve user interface (UI) will be updated with the custom modifications functionality. Through the custom modifications functionality, Servicers will be able to process bankruptcy cramdowns, court-mandated modifications, backdated loan modifications, etc. In early December 2024, the [Resolve Online Help](#) and the [Resolve Training Page](#) will be updated with details on how to use the custom modifications functionality.

#### Summary of Resolve functionality

With the addition of the custom modifications functionality, Resolve, through its suite of application programming interfaces (APIs) and UI, can process all Freddie Mac relief and workout options.

Relief or workout option	UI	API
Forbearance Extension Request	✓	
Payment Deferral	✓	Retention API; Workout Options API
Freddie Mac® Flex Modification	✓	Retention API; Workout Options API
FHA/VA/RHS Loan Modification Settlement	✓	



Relief or workout option	UI	API
Simultaneous Assumption Modification	✓	
Short Sale	✓	Liquidation API
Deed in Lieu of Foreclosure	✓	
Charge-off	✓	
Custom Modifications	✓	
Foreclosure Sale Reporting	✓	
Third-Party Foreclosure Sale Settlement	✓	
Minimum Net Proceeds (short sales)		Valuation & Pricing API

### **Resolve adoption dates**

As new functionality was iteratively added to the Resolve platform, we established mandatory effective dates for Servicers to transition their processing of certain relief and workout options to Resolve and encouraged Servicers to adopt other functionalities as they became available. Below is a summary of relief and workout options that Servicers must process in Resolve:

Relief/workout option	Mandated adoption date
Forbearance Extension Request	November 1, 2021 (see Bulletin 2021-35)
Payment Deferral	August 31, 2023 (see Bulletins 2022-21 and 2022-26)
Flex Modification	August 31, 2023 (see Bulletins 2022-21 and 2022-26)
FHA/VA/RHS Loan Modification Settlement	August 2, 2021 (see Bulletin 2021-18)
Simultaneous Assumption Modification	August 31, 2023 (see Bulletin 2023-14)
Short Sale	July 31, 2022 (see Bulletin 2022-9)

Today, we are announcing December 9, 2024 as the mandatory effective date for Servicers to begin using Resolve to process the following:

- Charge-offs
- Foreclosure Sale Reporting
- Custom modifications
- Deed-in-lieu of foreclosure
- Third-party foreclosure sale settlement

Servicers may refer to [Resolve Online Help](#) and the [Resolve Training Page](#) for additional details on processing these transactions through Resolve. These resources will be updated with the custom modifications functionality in early December 2024.



Servicers are encouraged to transition their processing for all Freddie Mac retention and liquidation options to Resolve as soon as they are operationally ready to do. After December 9, 2024, Servicers must not submit any workouts in Workout Prospector®.

## Freddie Mac Flex Modification cancelation requests

We are reminding Servicers that after determining a Borrower has failed a Trial Period or the Trial Period has been canceled, the Servicer must submit a cancelation request (CXLReq) via Resolve on or before the third Business Day of the month following the month of the trial start date to notify Freddie Mac that the Borrower is ineligible for a modification or the Trial Period has been canceled.

### ***Proactive Payment Deferral and Flex Modification solicitations***

When evaluating Borrowers for a proactive Payment Deferral or Flex Modification offer, Servicers must ensure the terms included in the proactive offer do not change before the time for acceptance of the offer has elapsed. To this end, Servicers must use Workout Approval Request (WAReq for Payment Deferrals) or Trial Period Approval Request (TPAReq for Flex Modifications) to determine the terms of the proactive offer.

Should a Borrower not accept the proactive offer, Servicers must ensure they cancel the workout on or before the third Business Day of the month following the month of the trial start date in Resolve no later than the third Business Day of the month following the month of the trial period start date.

Servicers must not use DraftReq when evaluating Borrowers for a proactive Payment Deferral or Flex Modification offers. The terms of a proactive offer for Flex Modifications must be established using TPAReq. The terms of a proactive offer for Payment Deferrals must be established using Wareq. Should Servicers base a proactive Payment Deferral or Flex Modification offer using Draft Request and the terms change prior to settlement, the Servicer must settle the workout as an exception using the terms provided in the proactive offer. Servicers may leverage DraftReq to determine if a requested workout is a viable option for a Borrower.

## Retirement of Servicing tools

### **Effective December 20, 2024**

Because the Resolve platform now has the ability to process all existing retention and liquidation options, Freddie Mac intends to retire the following Servicing tools effective December 20, 2024:

- Foreclosure Sale Reporting
- Workout Prospector

Freddie Mac will transition any workout in Workout Prospector that has not settled prior to December 20, 2024 to Resolve.

After December 20, 2024, Servicers will no longer have access to the Foreclosure Sale Reporting tool or Workout Prospector.

## Guide updates

The Guide will be updated with all changes related to Resolve in our next regularly scheduled Servicing Bulletin.

## FRAUD AND SUSPICIOUS ACTIVITY

### Reporting suspected and confirmed fraud

We have updated our requirements for reporting suspected and confirmed fraud. The changes include:

- Enhanced Office of Foreign Assets Control (OFAC) program requirements, including greater specificity of the required frequency of OFAC screening and which parties must be screened
- Additional references to the Anti-Money Laundering Act of 2020
- Identifying which parties must be scanned against the **Exclusionary List** and what constitutes a Settlement Agent for those purposes



- Greater specificity on frequency of screening employees against the Exclusionary List
- Updated contact information for the waiver of Seller and Servicer warranties regarding the Exclusionary List and breach of warranties regarding the Exclusionary List to [EList\\_Confirmation@FreddieMac.com](mailto:EList_Confirmation@FreddieMac.com)
- An obligation for Seller/Servicers to perform sufficient due diligence before submitting a referral to determine whether a reasonable basis exists to conclude fraud or Suspicious Activity may have occurred
- A requirement for Seller/Servicers to maintain and share records of fraud types and trend, fraud cases and positive Exclusionary List hits
- A new 14-day Service Level Agreement for providing information related to fraud and Suspicious Activity investigations when requested by Freddie Mac
- Additional requirements for Seller/Servicers to implement fraud risk management processes and monitoring and to have procedures in place to identify and track fraud typologies, the volume of potential fraud or Suspicious Activity, how alerts are resolved and to require a secondary review of closed alerts

Guide impacts: Sections 1301.2, 3101.1 and 3201.2 through 3201.4

## Tip Referral Tool

### Effective September 30, 2024

We are introducing the Tip Referral Tool, located in Freddie Mac Loan Advisor® and [Servicing Gateway](#). Beginning September 30, 2024, Seller/Servicers must submit all Mortgage fraud, suspected Mortgage fraud and other Suspicious Activity through the Tip Referral Tool.

Guide impact: Section 3201.2

## Reporting within 30 days

### Effective November 4, 2024

Seller/Servicers must report misrepresentations, misstatements or omissions that affect the eligibility of a Mortgage delivered to Freddie Mac within 30 days after discovery or, when identified during a post-closing quality control review, within 30 days after the quality control results are reported to Seller/Servicer's Senior Management.

Guide impacts: Sections 1301.2 and 3201.2

## 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,

Mike Reynolds

Vice President, Head of Servicing