

It is important to establish contact early and often with borrowers who have become delinquent in their mortgage payments and begin considering options that may be appropriate to bring the mortgage current. Resolving any past due amounts early in the delinquency will help protect the borrower's equity and credit rating, as well as Freddie Mac's interest.

This quick reference:

- Defines the concept of "[quality right party contact](#)."
- Explains [how to notify us](#) that you have achieved quality right party contact.
- Outlines our new [call center performance standards](#).
- Provides information on our [requirements for collection](#).
- Introduces the [Borrower Solicitation Package](#).

Refer to *Single-Family Seller/Servicer Guide* (Guide) Chapter 9102 for additional information about quality right party contact, borrower solicitation, and collections. If you have any questions, contact Customer Support at 800-FREDDIE.

What is Quality Right Party Contact?

Quality right party contact occurs when you establish contact with the borrower, co-borrower or trusted advisor, such as a housing counselor, and discuss the most appropriate options for delinquency resolution.

You must make every attempt to achieve quality right party contact by:

- Determining the reason for the delinquency and whether the reason is temporary or permanent in nature
- Determining the borrower's ability to repay the debt
- Setting payment expectations and educating the borrower on the availability of alternatives to foreclosure as appropriate
- Obtaining a commitment from the borrower to either resolve the delinquency by paying the total delinquent amount or engaging in an alternative to foreclosure solution



How to Notify Freddie Mac of Quality Right Party Contact

To notify Freddie Mac that you have achieved quality right party contact, report the following via the EDR tool:

If you have	Then
Achieved quality right party contact with the borrower for the first time during the delinquency	Report default action code AW (Date of First Quality Right Party Contact with Delinquent Borrower) to notify us of the date of your first quality right party contact with the borrower, co-borrower, or trusted advisor. Report the default action code and the date one time, in the month following the month in which you established quality right party contact.
Subsequently achieved right party contact with the borrower during the delinquency	<p>Report default action code AX (Date of Last Quality Right-Party Contact with Delinquent Borrower) to notify us of any subsequent quality right party contact after initial contact was established. Report the default action code and the date one time, in the month following the month the action occurred.</p> <ul style="list-style-type: none"> ▪ If you subsequently achieve quality right party contact in the same month you establish initial quality right party contact, you may report default action code AX in the same month you report default action code AW (Date of First Quality Right Party Contact with Delinquent Borrower). ▪ Throughout the delinquency, you must continue to report default action code AX with the date of last quality right party contact for each month in which the action applies.

Example:

The following example outlines how to report quality right party contact via EDR. It is important that your report via EDR in an accurate and timely manner, as you must strive to achieve quality right party contact with at least 60 percent of your borrowers who are 120 days or more delinquent. Borrowers in bankruptcy are excluded from the quality right party contact performance standard.

How to Report Quality Right Party Contact via EDR		When to Report Quality Right Party Contact via EDR
First Quality Right Party Contact on January 10, xxxx	Default action code AW (Date of First Quality Right Party Contact) Default action code date of January 10, xxxx	Within the first three business days of February
Subsequent Quality Right Party Contact on January 15, xxxx	Default action code AX (Date of Last Quality Right Party Contact) Default action code date of January 15, xxxx	



How to Report Quality Right Party Contact via EDR		When to Report Quality Right Party Contact via EDR
Subsequent Quality Right Party Contact on February 1, xxxx	Default action code AX (Date of Last Quality Right Party Contact)	Within the first three business days of March
Subsequent Quality Right Party Contact on February 4, xxxx	Default action code date of February 4, xxxx	
No Quality Right Party Contact occurred in March	Nothing. You will not report default action code AX within the first three business days of April, as no quality right party contact occurred during the month of March.	N/A
Subsequent Quality Right Party Contact on April 10, xxxx	Default action code AX (Date of Last Quality Right Party Contact) Default action code date of April 10, xxxx	Within the first three business days of May

For additional information about EDR, refer to the [EDR Quick Reference Guide](#).

Call Center Performance Standards

If your institution maintains a call center, you must meet the following call center performance standards every month:

- The call abandon rate must be five percent or less. (The abandon rate is the percentage of calls you make to borrowers or borrowers make to you that are not answered by a live operator before the borrower disconnects.)
- The average time to answer a telephone call must be 60 seconds or less.
- The average time for a live operator to respond to e-mails must be 48 hours or less. (Automated responses are not included in this performance standard.)
- The call blockage rate must be one percent or less. (The blockage rate is the percentage of inbound calls to your call center that are impeded, either intentionally or unintentionally. For example, a borrower attempts to call your call center and receives a busy signal.)

You must maintain data related to the call center performance standards and make it available to us upon request.

Minimum Collection Efforts

The following table outlines the activities you must perform to contact borrowers who have become delinquent in their mortgage payments. Always make certain that you comply with all applicable federal,



state, and local laws, such as the Fair Debt Collection Practices Act, Real Estate Settlement Procedures Act, or similar laws.

Note: If the day you are required to attempt to contact a borrower is a non-business day and you are not open on that day to conduct loss mitigation and collection activities, you may attempt to contact the borrower on the next business day.

Calendar Days After the Due Date	Required Actions
17	Mail late notices and reminder letters to delinquent borrowers by the 17 th day after the due date or the next business day if the 17 th day after the due date is not a business day.
36	<p>Initiate contact with each delinquent borrower as early in the delinquency cycle as possible to secure a payment or payment arrangement but no later than the 36th day after the due date of an unpaid monthly installment, unless ACH payment arrangements or other arrangements to cure the delinquency have been made.</p> <p>You may tailor your contact attempts based on the following:</p> <ul style="list-style-type: none"> ▪ The risk characteristics of the mortgage ▪ The borrower’s level of delinquency ▪ The borrower’s previous payment habits <p>You must continue to contact the borrower at least every seventh day at varying times throughout the day, until the earlier of the 210th day after the due date of an unpaid monthly installment or quality right party contact is achieved and:</p> <ul style="list-style-type: none"> ▪ You determine that the borrower does not want to pursue an alternative to foreclosure or the delinquency is cured, or ▪ You achieve quality right party contact and have obtained from the borrower a promise to pay the delinquent amount by a specific date, not to exceed 30 days, or ▪ You receive a complete Borrower Response Package, or ▪ The borrower enters into a relief or workout option with your organization.
45	<p>If you have not achieved quality right party contact and a resolution to the delinquency, you must send at least one Borrower Solicitation Package to the delinquent borrower no later than the 45th day after the due date of an unpaid monthly installment.</p> <p>If you have achieved quality right party contact and have obtained from the borrower a resolution to the delinquency, you are not required to send the Borrower Solicitation Package. However, in such instance, you must comply with any early intervention notice requirements under applicable law. If the borrower fails to perform under the conditions of a relief or workout option, you must resume collection efforts, including sending the Borrower Solicitation Package.</p>



Calendar Days After the Due Date	Required Actions
60 – 75	<p>Send the Freddie Mac Flex Modification® Solicitation Cover Letter and Flex Modification Trial Period Plan Solicitation Offer – Not Based on an Evaluation of a BRP as set forth in Guide Section 9102.5 to borrowers eligible for a streamlined offer for a Freddie Mac Flex Modification in accordance with Guide Section 9206.5.</p> <p>Send 60-75 days after the due date of an unpaid monthly installment for an eligible borrower with a step-rate mortgage.</p> <p>You must continue to make efforts to complete an incomplete Borrower Response Package to the extent required by applicable law and regulations.</p> <p>Order the initial property inspection on or after day 60 of delinquency and obtain the completed inspection no later than the 75th day of delinquency unless:</p> <ul style="list-style-type: none">– You have achieved quality right party contact, or– You have received a full monthly mortgage payment within the last 30 days. <p>If the property is vacant or tenant-occupied, you must continue to obtain property inspections as long as the mortgage remains 60 days or more delinquent, even if you have achieved quality right party contact.</p> <ul style="list-style-type: none">▪ Contact each known superior lien holder, if applicable.
75	<p>Mail the breach letter for all mortgages, including first-lien mortgages, modified mortgages, and second mortgages/HILs, no later than the 75th day of delinquency (90 days after the due date of the last paid installment (DDLPI)).</p> <p>If state law requires that you send the breach letter (or any other pre-breach letter) prior to the 75th day of delinquency in order to be able to refer the mortgage to foreclosure as required in Guide Section 9301.6 and 9301.7, you must send the breach letter on such earlier date.</p>
90 – 105	<p>Send the Freddie Mac Flex Modification® Solicitation Cover Letter and Flex Modification Trial Period Plan Solicitation Offer – Not Based on an Evaluation of a BRP as set forth in Guide Section 9102.5 to borrowers eligible for a streamlined offer for a Flex Modification in accordance with Guide Section 9206.3.</p> <p>Send 90-105 days after the due date of an unpaid monthly installment for all other eligible borrowers who did not receive a solicitation between day 60 and 75 of delinquency (i.e., certain borrowers with step-rate mortgages).</p>



Calendar Days After the Due Date	Required Actions
105 and greater for non-primary residences 106 and greater for primary residences	<p>Within 15 days prior to the foreclosure referral, you must review the mortgage file to ensure all of the following:</p> <ul style="list-style-type: none">▪ You have made every attempt to achieve quality right party contact in accordance with Guide Section 9102.3.▪ You have issued the breach letter and it has expired.▪ You have sent at least one Borrower Solicitation Package or Borrower Solicitation Letter by the 45th day after the due date of an unpaid monthly installment and the response period has expired without an affirmative response from the borrower.▪ There is no approved payment arrangement or alternative to foreclosure offer pending in which the borrower response period has not expired. <p>This is also referred to as the pre-foreclosure referral review.</p>
120	<p>Refer all mortgages, secured by properties other than primary residences and mortgages secured by primary residences when permitted by applicable law, including first-lien mortgages, modified mortgages, and second mortgages/HILs, with expired breach letters to foreclosure, unless one of the following conditions exists:</p> <ul style="list-style-type: none">▪ You received a complete Borrower Response Package and are still in the 30-day evaluation period.▪ You have extended an offer for an alternative to foreclosure and the borrower response period has not expired.▪ The borrower is conditionally approved for mortgage assistance under the Hardest Hit Funds initiative as set forth in Guide Section 9211.1.▪ The borrower has accepted an offer for an alternative to foreclosure and is performing in accordance with its terms.



Calendar Days After the Due Date	Required Actions
<p>121 and beyond</p> <p>(May be earlier if the loan is referred to foreclosure prior to the 120th day of delinquency.)</p>	<p>Refer all mortgages secured by primary residences to foreclosure after the expiration of the breach letter, but no earlier than the 121st day of delinquency unless applicable law permits earlier referral or one of the exceptions applies:</p> <ul style="list-style-type: none"> ▪ There is an approved payment arrangement or an alternative to foreclosure. ▪ A complete Borrower Response Package has been received and you are still within the 30-day evaluation period. ▪ You have extended an offer for an alternative to foreclosure and the period for the borrower’s response has not yet expired. ▪ The borrower is conditionally approved for mortgage assistance under the Hardest Hits Funds initiative as outlined in Guide Section 9211.1. ▪ The borrower has accepted an offer for an alternative to foreclosure and is performing in accordance with its terms. ▪ The time period for the borrower to exercise a right to appeal a denial of a Trial Period Plan or loan modification (per Guide Section 9101.3) has not expired, you are reviewing the borrower’s appeal, or the borrower’s time period to respond to your decision on the appeal and any acceptance period for an alternative to foreclosure offered as part of that decision has not expired.
<p>211</p>	<p>After the 210th day after the due date of an unpaid monthly installment, you have discretion on the continuation and frequency of contact attempts with a delinquent borrower. However, you must discontinue all contact attempts up to 60 days prior to a foreclosure sale date for a judicial foreclosure or 30 days prior to a foreclosure sale for a non-judicial foreclosure, unless you are required to continue contact attempts by applicable law.</p>

Using a Collection and Loss Mitigation Tool

You may use your own methodology or a tool that uses statistical models to predict worsening delinquency and use the results of the tool to tailor your collection efforts ("Collection and Loss Mitigation Tool"), to determine when contact attempts should begin. You must comply with the minimum collection efforts outlined above and in Guide Sections 9102.4 and 9101.2 even if you use a Collection and Loss Mitigation Tool, including initiating contact attempts no later than 36 days after the due date of an unpaid monthly installment. If you use a Collection and Loss Mitigation Tool to manage contact attempts, you must make model specifications and code available to Freddie Mac upon request.

You must conduct periodic reviews to ensure the effectiveness of the Collection and Loss Mitigation Tool, including compliance with applicable laws, including anti-discriminatory laws. Freddie Mac reserves the right to require a Servicer to discontinue the use of a Collection and Loss Mitigation Tool for Freddie Mac mortgages.



Borrower Solicitation Package

You must send the borrower at least one general solicitation no later than the 45th day after the due date of an unpaid monthly installment if quality right party contact and a resolution to the delinquency have not been achieved. The solicitation letter must include the following:

- A statement encouraging the borrower to contact you
- Your contact information
- A brief description of the loss mitigation options that are available
- Contact information for homeownership counseling
- Frequently asked questions (FAQs) to help answer borrower questions concerning the solicitation and the evaluation process, which may be included on the Servicer's web site
- Important notices, such as tips for avoiding foreclosure scams, which may be included on the Servicer's web site

A Borrower Solicitation Package includes all of the above information and the following documents:

Document	Description
Form 710, <i>Mortgage Assistance Application</i>	Requests the borrower's financial information, including the reason(s) for the borrower's financial hardship. This form also requests income and hardship documentation that may be needed to evaluate the borrower for an alternative to foreclosure. You are authorized to edit Form 710, and if permitted by applicable law, to exclude references to IRS Form 4506-C to the extent required by applicable law, to indicate that such forms may be required to complete the application and the circumstances when such forms must be obtained or processed in accordance with Guide Section 9102.5(b)(2).
Guide Exhibit 1145, <i>Borrower Solicitation Letter</i>	A template that includes the content you must include in your general borrower solicitation. You must amend Guide Exhibit 1145 as necessary to comply with applicable law.

When sending a general solicitation by the 45th day after the due date of an unpaid monthly installment, you may send either:

- A Borrower Solicitation Package that includes the Borrower Solicitation Letter, Guide Form 710, and foreclosure rescue scam information.
- The Borrower Solicitation Letter and elect to send Guide Form 710, FAQs, and foreclosure rescue scam information when you establish quality right party contact. You may also provide the FAQs and foreclosure rescue scam information on your web site and provide a link to that information in the Borrower Solicitation Letter.

You can access the borrower solicitation documents in the Guide and on [FreddieMac.com](https://www.FreddieMac.com).

This information is not a replacement or substitute for the requirements in the Freddie Mac *Single-Family Seller/Servicer Guide* or any other contractual agreements. This information does not constitute an agreement between Freddie Mac and any other party.

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