Updated September 24, 2020

Frequently Asked Questions: Mortgage Origination, Underwriting and Eligibility, Property Valuation, Post Funding Quality Control reviews, Notarization, Title Insurance, Powers of Attorney, Sale of Mortgages in Forbearance

Mortgage Origination, Underwriting and Eligibility

Employed Income

10-Day Pre-Closing Verifications

Q1: Are there acceptable alternatives if a Seller is unable to obtain a verbal verification of employment (VOE)?

Yes. Temporary alternative methods of verifying the borrower's employment were introduced in Bulletin 2020-5.

Q2: [REVISED 07.01.20] If a recent YTD paystub and/or asset account statement is obtained in lieu of the 10-day pre-closing verification (PCV), as provided in Bulletin 2020-5, and the documentation evidences reduced hours and/or pay due to the pandemic, what are the next steps?

With respect to any information indicating reduced hours or pay, sellers must comply with the requirements and guidance in Guide Topic 5300 related to income stability and calculation. For example, if the income is fluctuating hourly income and it is declining, the income must be calculated in accordance with Guide Section 5303.4(b), and the Seller must not include the previous higher levels of income in the calculation.

Q3: [05.05.20] The 10-day PCV verifies the borrower's employment status as employed; however, I have other information that indicates the borrower may be furloughed or laid off. Is it acceptable to use the 10-day PCV as confirmation of the borrower's employment status?

No, the Seller's knowledge that the borrower may be furloughed or laid off contradicts a reasonable expectation of continuance and probability of consistent receipt of income. In this scenario the Seller must resolve the discrepancy, which may require updated income documentation, before proceeding with using the income for qualifying. It is also recommended that, if possible, the Seller ask the employer during employment verification whether the borrower's employment status or income level has changed within the last 60 days, as it is possible that a 10-day PCV employment status may still indicate "employed" after the borrower is furloughed or laid off.

Q4: Does the Seller remain responsible for the representations and warranties related to the borrower's employment status when using one of the 10-day PCV flexibilities, as provided in Bulletin 2020-5?

Yes. The Seller's representations and warranties related to the borrower's employment status do not change. We are allowing certain documentation flexibilities due to the unique circumstances resulting from the COVID-19 pandemic to address the issues Sellers have raised due to disruption of employer operations and their inability to be reached by phone. Sellers are not required to use these flexibilities if they are not comfortable with them.

Employed Income & COVID-19 Related Temporary Business Closures, Layoffs and Furloughs

Q1: [REVISED 03.31.20] Given the unprecedented and rapid instances of voluntary and mandated business closures, and the concerns over whether employees will continue to be paid, is updated income documentation required prior to closing?

Yes, at times the income documentation must be updated based on the age of documentation requirements published in Bulletin 2020-8, on March 31, 2020. In addition, it is recommended that additional due diligence continues to be practiced which may include actions such as obtaining YTD paystubs from the pay period that immediately precedes the note date even if the temporary age of documentation requirements are met.

Q2: [05.05.20] The borrower works for a company that has publicly stated employees will continue to be paid through a certain date (e.g., 3 weeks out); however, the employers physical place of business is temporarily closed. Is it acceptable to use the income to qualify the borrower?

No, the Guide requirements for Income Continuance are not met. As of this writing, the economic effect of COVID-19 to the ability of certain employers to re-open are unknown. This impacts a reasonable expectation of income continuance, regardless of the planned temporary closure status.

Q3: [07.01.20] What additional analysis and/or documentation is needed to support a reasonable expectation of continuance during the uncertain economic conditions created by the pandemic?

Knowledge of the economic conditions created by the pandemic does not contradict a reasonable expectation of continuance, absent specific knowledge, information or documentation specific to the continuance of the borrower's employment and/or income, such as a pending state or local order to restrict or shut-down the employer's business.

Q4: [REVISED 05.05.20] Are borrowers who are temporarily furloughed or laid off due to the COVID-19 pandemic, with an expected return to work date, eligible to be underwritten using the requirements for Income while on temporary leave?

The requirements for Income while on temporary leave do not extend to employer-initiated actions, such as furloughs and layoffs regardless of whether there is an expected return to work date.

Fluctuating Employment Earnings

Q1: [07.01.20] What additional analysis and/or documentation is needed to support the determination of stable and consistent monthly income in scenarios where the borrower has returned to work but the YTD employed income level has declined over 10% from 2019 due to economic conditions created by the pandemic (e.g., mandated employer shut-downs or business restrictions)?

If the seller determines that the income interruption (e.g., reduced, discontinued) occurred solely due to the economic conditions created by the pandemic, and it is documented that the borrower is back at work, no additional analysis, documentation or requirements to determine the current level of income has stabilized are required. The sellers written analysis should include this determination.

Q2: [07.01.20] What additional analysis and/or documentation is needed to support a reasonable expectation of continuance during the uncertain economic conditions created by the pandemic?

Knowledge of the economic conditions created by the pandemic does not contradict a reasonable expectation of continuance, absent specific knowledge, information or documentation specific to the continuance of the borrower's employment and/or income, such as a pending state or local order to restrict or shut-down the employer's business.

Q3: [07.01.20] Is there a minimum length of time the borrower must be back at work and earning a certain level of earnings to support that the current income has stabilized when the borrower's employed income was interrupted (e.g., reduced, discontinued) due to COVID-19 pandemic?

If the seller determines that the income interruption occurred solely due to the pandemic and it is documented that the borrower is once again actively employed, and the income meets all other applicable Guide requirements (e.g., history, documentation), the borrower is not required to be back at work for a minimum specified period of time and the seller is not expected to request additional documentation from the borrower.

Q4: [07.01.20] Is it acceptable to use only the year-to-date earnings to calculate qualifying fluctuating income when the income trend is increasing?

No; according to Guide Section 5303.4(b), if the income is consistent or the trend is increasing, the Seller must average the most recent year(s) and YTD income over the applicable number of months documented.

Q5: [07.01.20] When the income trend is declining (i.e. the borrower's YTD income is lower than the prior year W-2 income), is it acceptable to calculate the income by averaging YTD income and income from the prior year(s)?

A: No; when the income trend is declining, the seller must use the YTD income and must not include the previous higher level unless there is documentation of a one-time occurrence (e.g., injury) that prevented the borrower from working or earning full income for a period of time and evidence that the borrower is back to the income amount that was previously earned. As the COVID-19 pandemic is ongoing, the income interruption/gap is not yet considered a one-time occurrence, such as an isolated injury may be.

Q6: [07.01.20] When fluctuating income is used to qualify the borrower, is it acceptable to exclude the period(s) of unpaid time due to COVID-19 (e.g., temporary layoff, furlough, reduced hours) when calculating the qualifying income?

No. For fluctuating employment earnings (e.g., fluctuating hourly employment earnings, overtime, bonus, commission, tips), and regardless of the earnings trend, all 2020 YTD income must be included in the calculation, in accordance with the requirements in Guide Section 5303.4(b) *Employed income calculation guidance and requirements*. As the pandemic is ongoing, the income interruption/gap is not yet considered a one-time occurrence, such as an isolated injury may be; therefore, the period of income interruption must be considered in the overall YTD calculation.

Q7: [07.01.20] What if a borrower with fluctuating hourly employment earnings is working fewer hours now than they worked earlier in the year prior to the COVID-19 impact?

The 2020 YTD earnings average used for qualifying, in accordance with Guide Section 5303.4(b), accounts for the decline in income experienced during the pandemic related income interruption(s).

Self-Employed Income

Verification of Current Business Existence

Q1: [REVISED 07.01.20] The borrower is self-employed and owns a business which is not operating or closed due to the COVID-19 pandemic. Can the income be used to qualify?

No, if the business is not operating or closed, the income may not be used to qualify.

Determining income stability with additional analysis and documentation

Q1: [07.01.20] Can the income be calculated directly from the year-to-date profit and loss (YTD P&L) statement?

No, the information on the YTD P&L, business bank statements and other supplemental documentation must be used to determine the current level of stable monthly income from self-employment. The seller must continue calculating income following standard Guide requirements and guidance in Chapter 5304, including the use of Form 91 or a similar alternative form. Income calculated following the standard Guide requirements must be used for qualifying if income level has not changed or has increased.

If the business revenue, operations and/or expenses have been negatively impacted by the pandemic and the current level of income is less than the amount calculated following the standard Guide requirements but has stabilized, the seller must use no more than the current level of stable monthly self-employment income using details from the YTD P&L statement, business account statements, and the supplemental documentation. For example, if the revenue has decreased, it is recommended that a month-to-month or quarterly trending view on the YTD P&L be obtained. The final qualifying amount may be less than the YTD average represented on the YTD P&L statement, depending on the timeframe the business was impacted by the pandemic.

Q2: [07.01.20] Is the income eligible for use in qualifying if the business account statements for the most recent two months do not support the details in the year-to-date profit and loss statement due to the seasonal or cyclical nature of the business income?

A: The income may be eligible if the Seller is able to establish and document the seasonal or cyclical nature of the business income and that it is likely to continue without being negatively impacted by the pandemic (e.g. would not be impacted by a stay at home order). A close review of the pandemic-related factors should be performed to determine if the business is likely to be subject to negative impacts during the high revenue cycle. In some instances, it may be helpful to obtain business bank statements from the same months of the prior year to determine the typical revenue and expense flow during a non-pandemic time period and compare it to the pandemic time-frame represented on the current bank statements in order to determine the impact during the same time of year, whether it be a high or low point of the revenue cycle.

Q3: [07.01.20] Is it acceptable to obtain a written statement from the self-employed borrower addressing the impact of the pandemic on their business and the stability and continuance of their income in lieu of the business review and analysis required in Bulletin 2020-19?

No; while information provided by the borrower (e.g., modified business plan) can be helpful to informing the overall underwriting decision, the Seller must perform the business review and analysis as required in Guide Section 5304.1(d) in order to determine if the business has sufficient liquidity and is financially capable of producing stable monthly income for the borrower. In addition, the Seller must consider pandemic-related factors, as described in Bulletin 2020-19.

Documentation

Q1: [07.01.20] In light of the federal income tax filing deadline extension to July 15, 2020, if a self-employed borrower has not filed 2019 income tax returns, is a P&L statement for 2019 required in order to support qualifying income?

No, for the purposes of Bulletin 2020-19, a 2019 P&L is not required; however, a 2019 business financial statement may be used to assist in evaluating income stability when tax returns are on extension, as stated in Guide Section 5304.1.

Q2: [07.01.20] For a business in existence for five or more years, is it still acceptable to obtain the tax returns only for the most recent year, as permitted in Guide Section 5304.1(h)?

Yes; however, the seller may choose to obtain an additional year(s) of individual and/or business tax returns to support their underwriting decision.

Q3: [07.01.20] How do the requirements of Bulletin 2020-19 apply to self-employed borrowers who do not have business accounts but use their personal bank accounts to manage their business finances?

When we refer to business account statements, we are referring to asset accounts the borrower uses to deposit business revenue and pay business expenses. In some cases, this may be the borrower's personal bank accounts used for business purposes.

Q4. [07.01.20] Are computer print-outs acceptable in lieu of the bank statements required in Bulletin 2020-19?

Yes, a transaction history that is computer-generated and downloaded by the borrower from the Internet or by a financial institution representative from the institution's system is acceptable (Guide Section 5501.3(a)(i)). The most recent information available is recommended to enable an accurate assessment of stable monthly income.

Q5: [07.01.20] What are some examples of additional documentation that could be used to determine the impact of the pandemic on the business revenue and expenses when the bank statements do not support the information on the YTD P&L statement because the YTD information includes a period of time when the business was not negatively impacted (e.g., January – March)?

Additional documentation may include, but is not limited to, quarterly YTD P&Ls or financial statements, month-to-month or quarterly trending added to the YTD P&L, and/or additional bank statements to cover the entire YTD period.

Q6: [07.01.20] Bulletin 2020-19 requires additional self-employment documentation for mortgages with application received dates on or after June 11, 2020. Are mortgages with self-employed income and application received dates before June 11, 2020 eligible for sale to Freddie Mac if the seller did not obtain the additional income documentation?

The additional documentation specified in Bulletin 2020-19 is not required for mortgages with application received dates before June 11, 2020, however; the seller must determine when additional analysis and documentation is needed and establish that the income amount used for qualifying purposes is stable and likely to continue in accordance with requirements of Chapters 5301 and 5304. Sellers are encouraged to apply these temporary requirements to existing mortgages in process.

Q7: [07.01.20] Do the temporary requirements for self-employed income announced in Bulletin 2020-19 apply to the Enhanced Relief Refinance Mortgages?

The temporary requirements apply to mortgages described in Guide Section 4304.5, *Additional underwriting requirements for certain Enhanced Relief Refinance® Mortgages.*

COVID-19 Business Assistance

Q1: [07.01.20] If loan proceeds from a Paycheck Protection Program (PPP) are reflected on the business account statements, can these deposits be considered as business revenue and used to support the current level of stable self-employed income?

No. As noted in Bulletin 2020-19, business revenue is the gross receipts and/or sales from the business, as reported on business returns. Proceeds from a PPP loan or any other similar COVID-19 related loans or grants are not considered business revenue and cannot be used to determine or support self-employed income used for qualifying.

Q2: [07.01.20] Is it acceptable to exclude payroll and other expenses (e.g., utilities, business rent) which may be covered by PPP loan proceeds when assessing the current expenses of the business?

No; PPP loan proceeds are for a short and specified period of time whereas the payroll, rent/mortgage payments and utilities are ongoing business expenses; therefore, those expenses must be considered in the analysis.

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Q3: [07.01.20] If the business rehired employees after receipt of PPP loan proceeds, but was operating at a reduced capacity due to factors such as state and/or local restrictions (e.g., restricted operations, social distancing, closure) and did not utilize the services of a certain number of these employees (e.g., placed on paid furlough), would those payroll expenses funded by the PPP proceeds be considered as ongoing?

If the scenario described can be fully documented, in that the payroll was paid by PPP proceeds but the services were not used for a specified period of time, it may be possible to make a case for excluding only that portion of payroll expenses when comparing and using details from the YTD P&L statement, business account statements, and supplemental documentation to determine the current level of stable monthly income.

Q4: [05.05.20] If the borrower is self-employed and has disclosed that they are in the process of obtaining, or have obtained a new SBA Paycheck Protection Plan (PPP) loan under the CARES Act provisions, must a payment be considered?

If a self-employed borrower has taken out an SBA PPP loan under the CARES Act, no payment, estimated or otherwise, need be included in the DTI or considered in the income calculation (e.g., as a deduction from income) at this time. This guidance may change as more information about the PPP loans becomes available, including the amount of loan forgiveness (e.g., full, reduced or none) which will be determined at a later date.

Other Sources of Income – Market Fluctuation

Q1: [03.31.20] Are you changing any of your requirements for assets that are subject to market fluctuation and used as a source of income, such as dividends and interest income?

Bulletin 2020-8 requires that the asset documentation be date no more than 60 days prior to the note date. Sellers should apply additional due diligence with respect to the current value of the underlying asset since the income is calculated using a historical view which may not be sustainable given current market volatility. The Selling Guide requires evidence of sufficient assets to support the qualifying income; Sellers must ensure that sufficient assets remain after closing to support continuance of the income, at the level used for qualifying.

Tax Returns – Documentation & Verification

Q1: [REVISED 7.29.2020] Is there any impact to your requirements for tax return requirements in Guide Section 5302.4 as a result of the federal income tax filing extension granted through July 15, 2020?

No. Guide Section 5302.4(a) requires that tax returns must be the borrower's signed copy of the U.S. federal income tax return(s) that were filed with the Internal Revenue Service (IRS). For additional guidance related to this topic, refer to the FAQ below.

Q2: [07.29.20] What are Freddie Mac's requirements for obtaining 2019 tax return(s) on or after the extended IRS filing date of 7/15/2020?

The most recent tax return(s) filed with the IRS must be obtained in accordance with Guide Sections 5302.4(a) and 5304.1(h); however, the Guide does not specify date or documentation requirements to verify whether the tax returns have been filed or extended. Sellers may utilize the following additional guidance when determining what documentation should be obtained and which factors should be considered when determining income stability and whether the obtained tax returns are the most recent return(s) filed with the IRS.

If the 2019 tax returns were not obtained for mortgages with application dates after 07/15/2020, and/or mortgages with note dates after 8/15/2020, in addition to asking the borrower whether they have filed the 2019 tax returns and obtaining copies of tax return extension forms, the Seller should:

- Review tax liability reported on the IRS extension form to determine consistency with tax liability reported on prior year(s) tax returns;
- Determine whether the borrower typically files extensions;
- Obtain an IRS transcript verifying that 2019 tax returns have not been filed;
- Perform an analysis of the business activity through a review of 2019 annual financial statement if the 2019 returns have not been filed (in addition to the requirements of Bulletin 2020-19).

For mortgages with note dates after November 1, 2020, the 2019 tax return(s) should be obtained.

Q3: [03.31.20] If the tax transcripts cannot be obtained due to reduced IRS office operations or closures, is it acceptable to proceed with the origination of the mortgage?

Freddie Mac does not require IRS transcripts to be obtained in connection with origination of the mortgage.

Age of Documentation

Q1: [REVISED 7.29.20] When the current rental income amount is not supported by Schedule E (for example, when a non-subject investment property is purchased later in the year) and the Seller opts to document the most recent two months receipt of rental income with documentation such as bank statements or cancelled rent checks to support the use of a lease for rental income in accordance with Guide section 5306.1(c)(iii), is that documentation subject to the 60-day age of documentation requirements announced in Bulletin 2020-8?

Yes, when the requirements to validate a lease apply, the documentation used (e.g., bank statements, cancelled rent checks) must be dated no more than 60 days prior to the note date.

Q2: [7.29.20] Are leases used to determine rental income to qualify the borrower subject to the Age of Documentation requirements in Bulletin 2020-8 or Guide Section 5102.4?

No, leases are not subject to the Age of Documentation requirements. Leases must meet the requirements of Section 5306.1(c)(iii), Documentation, history and analysis, Lease requirements.

Q3: [05.05.20] How do the temporary requirements for age of income and asset documentation in Bulletin 2020-8 apply to construction conversion and renovation mortgages?

For construction conversion and renovation mortgages, asset and income documentation, except as specifically stated otherwise in Bulletin 2020-8, must be dated within 60 days of the effective date of the permanent financing.

Evaluation of Monthly Obligations

Q1: [REVISED 7.29.2020] Does Freddie Mac require monthly payments for liabilities (e.g., student loans, other installment debt, revolving accounts), that are deferred or placed in forbearance as a result of COVID-19 pandemic, to be included in the DTI ratio?

Yes. Even if a borrower's monthly payments are temporarily suspended due to COVID-19 pandemic, the Seller must consider the payment in the borrower's DTI ratio in qualifying for a mortgage loan. Refer to Topic 5400, *Evaluation of monthly obligations*.

Q2: [NEW 9.17.2020] If the borrower has a federal student loan that is in a COVID-related automatic forbearance, can the monthly payment be excluded from the debt payment-to-income ratio if it has been paid by another party (i.e. the student loan is a contingent liability)?

According to Guide Section 5401.2, a contingent liability may be excluded from the monthly DTI ratio when documentation in the mortgage file indicates that a party other than the borrower has been making timely payments for the most recent 12 months and the party making the payments is not an interested party to the subject real estate or mortgage transaction.

Because the office of Federal Student Aid automatically suspended federal student loan payments due to the COVID-19 pandemic, monthly student loan payments can be considered a contingent liability that can be excluded from DTI even if the payments haven't been made during the period of automatic payment suspension, provided that:

- a party other than the borrower had been making timely payments for at least nine months prior to the automatic payment suspension;
- the missed payments are resolved by the same party other than the borrower prior to closing of the new mortgage;
- the mortgage file includes documentation evidencing that the student loan is a federal loan has been subject to the automatic suspension of payments due to COVID-19 and that all the missed payments have been paid; and
- all other requirements of Section 5401.2 are met.

Borrower Creditworthiness

Q1: [07.29.20] Is the seller required to perform additional analysis of the borrower's credit reputation or obtain additional documentation if the seller has knowledge that the borrower's consumer debt(s) other than a mortgage (e.g. student loan, car loan) is or was in COVID-19 related forbearance or deferral, and the mortgage is an Loan Product Advisor Accept Mortgage?

No, for Loan Product Advisor Accept mortgages, the seller is not required to obtain any additional documentation or perform any additional analysis of non-mortgage consumer debt.

Q2: [07.29.20] If the seller has knowledge that the borrower's consumer debt is or was in COVID-19 related forbearance or deferral, is the seller required to treat payments missed during that period as adverse or derogatory credit information when manually underwriting the mortgage?

For manually underwritten mortgages, the seller is not required to treat a borrower's consumer debt in COVID-19 related forbearance or deferral as adverse or derogatory credit information.

Asset and Income Modeler (AIM)

Q1: [03.31.20] Do the changes in Bulletin 2020-8 apply to mortgages using asset and income modeler (AIM) with Loan Product Advisor®?

Yes, mortgages using asset and income modeler (AIM) must comply with this temporary guidance.

Q2: Do the changes in Bulletin 2020-5 apply to mortgages using AIM with Loan Product Advisor?

If the Seller is eligible for income representation and warranty relief based on Loan Product Advisor's assessment, this relief will continue to be valid provided the Seller complies with the terms of their Purchase Documents.

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AIM's assessment does not include verification of the borrower's current employment. As a result, there is no impact to AIM mortgages.

The temporary guidance introduced in Bulletin 2020-5 applies to AIM mortgages.

Other

Q1: Do Freddie Mac's existing disaster policies in the Seller/Servicer Guide apply to the COVID-19 pandemic?

No, Freddie Mac's existing policies related to disasters do not apply to loans impacted by COVID-19. Any guidance specific to COVID-19 will be communicated through Bulletins and FAQ documents such as this.

Q2: [REVISED 08.13.20] Does Freddie Mac accept delivery of mortgages that are in forbearance?

A mortgage in forbearance may be eligible for sale to Freddie Mac through October 31, 2020, provided the mortgage complies with the temporary requirements in Guide Bulletin 2020-12, as subsequently extended in Bulletins 2020-17, 2020-23, and 2020-30. Please see our FAQs related to selling loans that are in forbearance.

Q3: [04.10.20] Is Freddie Mac considering changes to Loan Product Advisor's risk assessment models in light of COVID-19?

Freddie Mac continually reviews its policy and risk assessment models. When appropriate, changes may be made in order to better meet the needs of clients or to better manage risk.

Eligibility under the temporary provisions of Bulletin 2020-17

Existing mortgages in forbearance

Q1: [06.04.20] Is a mortgage eligible for sale to Freddie Mac if the borrower is obligated on an existing mortgage that is in a forbearance plan and the borrower has been making partial mortgage payments under the plan?

No, the mortgage is not eligible for sale. The existing mortgage is not considered current based on partial mortgage payments. In order for the new mortgage to be eligible, the borrower must resolve the amounts outstanding on the existing mortgage, meeting the applicable additional eligibility requirements in Guide Bulletin 2020-17 as of the note date.

Q2: [06.04.20] Can missed payments on an existing mortgage in forbearance be refinanced into the new mortgage?

No. Missed payments during a forbearance may not be refinanced into the new loan amount in a no cash-out or cash-out refinance transaction. However, per the temporary requirements in Bulletin 2020-17, if the existing mortgage is in a repayment plan, Payment Deferral, trial period plan or other loss mitigation program and the borrower has either successfully completed the loss mitigation program or made at least three consecutive timely payments, as applicable, the proceeds may be used to pay off the existing mortgage.

Q3: [06.04.20] If a borrower's existing mortgage is in forbearance, but the borrower has continued to make payments to keep the loan current, does the borrower need to exit forbearance to be eligible for a new mortgage to be sold to Freddie Mac?

No. If the borrower continued to make payments and is current on his or her existing mortgage(s), there is no requirement to exit forbearance.

Q4: [06.04.20] What responsibility does the Seller have if the borrower entered forbearance on an existing mortgage after applying for a new loan?

The Seller represents and warrants that as of the note date of the mortgage, each of the borrower's existing mortgages is current, or if any mortgage is in a loss mitigation program, the applicable requirements in Guide Bulletin 2020-17 are met. The Seller must perform additional due diligence to ensure all of the temporary requirements in Bulletin 2020-17 are met.

Q5: [06.04.20] In Guide Bulletin 2020-17, do requirements in the last row of the chart that address loss mitigation programs not mentioned in the rest of the chart apply to mortgages that are in forbearance as of the note date of the new mortgage?

No. If a borrower is obligated on a mortgage that is in forbearance, but that borrower has continued to make payments and the mortgage is current, then the new mortgage is eligible for sale to Freddie Mac without meeting the additional eligibility requirements in Guide Bulletin 2020-17.

If the borrower is obligated on a mortgage that is in forbearance and the mortgage is not current, then the new mortgage is not eligible for sale unless the amounts outstanding on the existing mortgage are resolved by meeting the applicable additional eligibility requirements in Guide Bulletin 2020-17.

Q6: [07.29.20] For construction conversion and renovation mortgages, do requirements of Bulletin 2020-17 for borrowers with existing mortgages apply to the borrower's interim construction financing?

Yes, the borrower's interim construction financing is subject to requirements of Bulletin 2020-17 for borrowers with existing mortgages.

Loss mitigation programs

Q1: [06.04.20] When a borrower refinances after a payment deferral, is the new mortgage considered a cash out refinance loan or a "no cash-out" refinance?

When a borrower refinances a mortgage that with a payment deferral and the amount of the deferred payments is included in the new mortgage, the new mortgage is eligible for sale to Freddie Mac as a "no cash-out" refinance if it otherwise meets all of the requirements for an "no cash-out" refinance in the *Single-Family Seller/Servicer Guide*. Funds applied to paying off the deferred portion are not considered cash out.

Q2: [06.04.20] If the borrower has entered into a repayment plan to resolve missed payments during a forbearance, must the repayment plan be completed before a new mortgage is eligible for sale to Freddie Mac?

No. If the borrower has entered into a repayment plan to resolve missed payments, the borrower's new mortgage is eligible for sale to Freddie Mac if the borrower made 3 timely consecutive payments as of the note date of the new mortgage. Alternatively, if the repayment plan is completed in fewer than 3 payments, then the new mortgage is eligible if the borrower completed the repayment plan as of the note date of the new mortgage.

Q3. [06.04.20] If a mortgage on a non-subject property is in a repayment plan, should the borrower be qualified using the mortgage payment required under the note or the higher payment required under the repayment plan?

The borrower must be qualified with the currently required contractual payment, which is the payment required under the repayment plan.

Q4: [06.04.20] Is a mortgage eligible for sale to Freddie Mac if, as of the note date of the new mortgage, the borrower is obligated on an existing mortgage that is in a modification trial period plan and misses a payment due under the plan?

No, the mortgage is not eligible for sale. Guide Bulletin 2020-17 requires that the borrower must successfully complete such trial period plan. The borrower should be encouraged to continue working with their Servicer on the appropriate loss mitigation solution for that mortgage.

Q5: [06.04.20] Bulletin 2020-17 states that if a borrower is obligated on a mortgage that is subject to a loss mitigation program other than a repayment plan, loan modification Trial Period Plan or a Payment Deferral, the program must be successfully completed or the borrower must have made at least three consecutive full monthly payments before the note date of the new mortgage. What is "full monthly payments" referring to?

The payments made under a loss mitigation program other than those specifically addressed in the Bulletin must be in the full amount required under the note or any other agreement that permanently alters the payment amount, such as a Loan Modification agreement.

Reinstatements

Q1: [06.04.20] What does Freddie Mac mean by "the existing mortgage was fully reinstated?"

As stated in Guide Section 9203.3, a full reinstatement occurs when the borrower restores a delinquent mortgage to current status by paying the total delinquent amount, including advances, delinquent principal and interest, legal costs and other expenses incurred and that are past due under the Note and the Security Instrument.

Q2: [06.04.20] Does the Seller need to document the source of funds used to fully reinstate a delinquent mortgage?

Yes, when a lump sum payment is made to reinstate a mortgage on or after the application received date of the new mortgage, the Seller must document the source of funds used to reinstate the mortgage per the requirements in Guide Section 5501.3. The source of funds must be an eligible source as described also in Section 5501.3. If the mortgage was reinstated before the application received date of the new mortgage, verification of source of funds is not required.

Other

Q1: [06.04.20] Do the requirements in Bulletin 2020-17 apply only to the borrower's existing mortgage(s) that are in forbearance?

No; the requirements of Bulletin 2020-17 apply to all of the borrower's existing mortgages.

Q2: [06.04.20] If Loan Product Advisor® returns a Risk Class of Accept on the last feedback certificate, does the Seller still get relief of representations and warranties for the borrower's creditworthiness?

Yes, provided that all other requirements of the Seller's Purchase Documents are met, including the requirements described in Guide Bulletin 2020-17.

Q3: [06.04.20] If a borrower owns a residential property that is pending sale and will close before the note date of the new mortgage, does the Seller have to perform additional due diligence required in Guide Bulletin 2020-17 with respect to the mortgage secured by the property that is pending sale?

No, the additional due diligence described in Bulletin 2020-17 is not required as long as the Seller documents in the mortgage file that the property was sold and the mortgage was paid off before the note date of the new mortgage.

Please continue to monitor the online FAQs as this PDF and the HTML FAQs may be updated on an ongoing basis.

Q4: [06.04.20] Is a borrower eligible for a new mortgage to be sold to Freddie Mac if he or she makes 3 timely payments following a short sale or deed-in-lieu of foreclosure?

The requirements of Guide Topic 5200, Credit Assessment, continue to apply: the mortgage must be submitted to Loan Product Advisor and receive a Risk Class of Accept, or if the mortgage is manually underwritten, including mortgages with Caution Risk Class, the recovery time periods for reestablishment of credit in Guide Section 5202.5 must be met.

Q5: [07.29.20] Do the temporary purchase and refinance eligibility requirements for borrowers with existing mortgages announced in Bulletin 2020-17 apply to all of the borrowers' consumer debts or just existing mortgages?

The requirements of Bulletin 2020-17 apply only to borrower's existing mortgages, and do not apply to other types of consumer debt.

Collateral

Q1: [REVISED 03.31.20] May a desktop or exterior-only inspection appraisal report completed using the appraisal flexibilities offered by Bulletin 2020-5 include photos or other information provided by the borrower/owner?

Yes. Consistent with USPAP, appraisers are permitted to consider and develop any information deemed credible. It is important to note, certification #10 has been removed in recognition that the appraiser may have relied on information from an interested party to the transaction (borrower, real estate agent, property contact, etc.) and additional verification may not have been possible.

Q2. [7.29.20] If an exterior-only or desktop appraisals were performed, can we still use the appraisal waiver offered through Loan Product Advisor?

No. Freddie Mac's policy for appraisal waivers prohibits the acceptance of the appraisal waiver when the Seller has obtained an appraisal as outlined in Guide Section 5601.9(c) (iv). This includes exterior-only and desktop appraisals using the COVID-19 appraisal flexibilities. We encourage Sellers to review the Loan Product Advisor feedback certificate to verify appraisal waiver eligibility prior to ordering an appraisal.

Q3: How will the appraiser be able to obtain subject photos for a desktop appraisal report?

Photos can be obtained from sources such as third-party web sites, owners, or listing services, etc. NOTE: Any use restrictions on photos must be honored.

Q4: [REVISED 03.31.20] What if adequate information is not available for the appraisal?

Appraisers may use information in MLS, reach out to the real estate agent, homeowner, use public records, and/or other online tools such as satellite imagery and street views to obtain the necessary property information. A good faith effort should be used to provide information that the appraiser believes is reasonable. If adequate information about the subject property is not available, the mortgage will not be eligible for sale to Freddie Mac until the appraiser has sufficient information to complete the desktop appraisal or an appraisal with an exterior-only inspection.

Q5: [REVISED 03.31.20] What form should be used for a desktop appraisal obtained in accordance with the temporary COVID-19 flexibilities announced in Bulletin 2020-5?

The desktop appraisals permitted in accordance with the temporary flexibilities announced in Freddie Mac Bulletin 2020-5 must be completed on one of the following forms, as applicable:

- Uniform Residential Appraisal Report (FRE 70/FNM 1004)
- Individual Condominium Unit Appraisal Report (FRE 465/FNM 1073)
- Individual Cooperative Interest Appraisal Report (FNM 2090)
- Small Residential Income Property Appraisal Report (FRE 72/FNM 1025)
- Manufactured Home Appraisal Report (FRE 70B/FNM 1004C)

The modified scope of work/limiting conditions/certifications included in Bulletin 2020-5 must be used when performing a desktop appraisal permitted in accordance with Bulletin 2020-5.

Q6: [REVISED 03.31.20] What form should be used for an exterior-only inspection appraisal obtained in accordance with the temporary COVID-19 flexibilities announced in Bulletin 2020-5?

The exterior-only inspection appraisals permitted in accordance with the temporary flexibilities announced in Freddie Mac Bulletin 2020-5 must be completed on the following appraisal forms:

- Exterior-Only Inspection Residential Appraisal Report (Form 2055)
- Exterior-Only Inspection Individual Condominium Unit Appraisal Report (FRE 466/FNM 1075)
- Exterior Only Individual Cooperative Interest Appraisal Report (FNM 2095)
- Small Residential Income Property Appraisal Report (FRE 72/FNM 1025)
- Manufactured Home Appraisal Report (FRE 70B/FNM 1004C)

The modified scope of work/limiting conditions/certifications included in Bulletin 2020-5 must be used when performing an exterior-only inspection appraisal

Q7: [08.27.20] Is the use of the new Freddie Mac 70D (Fannie Mae 1004 Desktop) or Freddie Mac 70H (Fannie Mae 1004 Hybrid) acceptable when completing an appraisal using COVID-19 appraisal flexibilities?

No. Although Freddie Mac Forms 70D (Fannie Mae 1004 Desktop) and 70H (Fannie Mae 1004 Hybrid) are now available, they will only be used in a few instances for testing purposes and are not acceptable for use with the COVID-19 appraisal flexibilities. Appraisers should continue using the eligible forms for desktop appraisals using COVID-19 appraisal flexibilities as provided in Bulletin 2020-05 (Forms 1004/70, 1073/465, 2090, 1025/72, and 1004C/70B).

Q8: [REVISED 04.07.20] Why is Freddie Mac requiring the appraisal include the entry "desktop" in the Map Reference field of the appraisal report?

This helps identify the scope of work completed. Because Freddie Mac is permitting desktop appraisals to be completed on forms that are typically used for interior and exterior inspection appraisals, Freddie Mac will be relying on the text in the Map Reference field to identify the type of appraisal (desktop) completed. It is critical that the Map Reference field show "desktop" when applicable.

Q9: [04.07.20] Using the COVID-19 appraisal flexibilities for a desktop appraisal report, what information must the appraiser include in the Map Reference field?

For a desktop appraisal report, the Map Reference field must ONLY contain "desktop". No other entries may be included in this field. It is the Seller's responsibility to ensure the appraisal is accurately reported.

Q10: [REVISED 03.31.20] Why is Freddie Mac requiring the appraisal include the entry "exterior" in the Map Reference # field of the appraisal report?

This helps identify the scope of work completed. Because Freddie Mac is permitting exterior-only appraisals to be completed on forms that are typically used for interior and exterior inspection appraisals. Freddie Mac will be relying on the text in the Map Reference field to identify the type of appraisal (exterior-only) completed. It is critical that the Map Reference field show "exterior" when applicable.

Q11: [04.07.20] Using the COVID-19 appraisal flexibilities for an exterior-only appraisal report, what information must the appraiser include in the Map Reference field?

For an exterior-only appraisal report, the Map Reference field must ONLY contain "exterior". No other entries may be included in this field. It is the Seller's responsibility to ensure the appraisal is accurately reported.

Q12: What are the delivery instructions when an exterior-only inspection appraisal report or desktop appraisal report is performed in accordance with the temporary COVID-19 flexibilities announced in Bulletin 2020-05?

- Our delivery requirements for related ULDD data points are expressed in Guide Section 6302.8 and remain unchanged at this time. However, beginning on April 13, 2020, for mortgages with property valuations completed in accordance with the appraisal flexibilities in Guide Bulletin 2020-5, Loan Selling Advisor will be updated to accept "Desktop Appraisal" and "Drive By" as valid values for Sort ID 89. Starting on this date, Sellers should use their best efforts to provide "Drive By" or "Desktop Appraisal", as applicable, in lieu of "Full Appraisal" for Sort ID 89, Property Valuation Method Type. However, we recognize Seller's systems may not be updated to accommodate this change and, in these cases. Seller may continue to deliver "Full Appraisal."

- The table below provides these alternative delivery instructions when an exterior-only inspection appraisal report or a desktop appraisal report was used in accordance with the flexibilities in Guide Bulletin 2020-5.

Sort ID	ULDD Data Point	Exterior-Only Inspection Appraisal Report	Desktop Appraisal Report
89	Property Valuation Method Type	Drive By	Desktop Appraisal
85	Property Valuation Form Type	Exterior Only Inspection Residential Appraisal Report (FRE 2055/FNM 2055) Exterior Only Inspection Individual Condominium Unit Appraisal Report (FRE 466/FNM 1075) Exterior Only Inspection Individual Cooperative Interest Appraisal Report (FNM 2095) Small Residential Income Property Appraisal Report (FRE 72/FNM 1025) Manufactured Home Appraisal Report (FRE 70B/FNM 1004C)	Uniform Residential Appraisal Report (FRE 70/FNM 1004) Individual Condominium Unit Appraisal Report (FRE 465/FNM 1073) Individual Cooperative Interest Appraisal Report (FNM 2090) Small Residential Income Property Appraisal Report (FRE 72/FNM 1025) Manufactured Home Appraisal Report (FRE 70B/FNM 1004C)

Q13: Will desktop appraisals be assessed through Loan Collateral Advisor?

Yes, desktop appraisals completed on Forms 70/1004 and 465/1073 will be scored by Loan Collateral Advisor just as traditional appraisals are scored when these forms are used.

Q14: [REVISED 03.31.20] Will mortgages with desktop appraisals be eligible for representation and warranty relief for appraised value?

Yes. When a desktop appraisal is obtained using Form 70, Uniform Residential Appraisal Report, or Form 465, Individual Condominium Unit Appraisal Report, and submitted to Uniform Collateral Data Portal® (UCDP®), the appraisal will be assessed for appraised value representation and warranty relief in Loan Collateral Advisor®. All appraisals with a risk score of 2.5 or less that meet the requirements in Section 5601.9(b) will receive appraised value representation and warranty relief.

Q15: [REVISED 03.31.20] How should an appraiser include the revised scope of work, statements of assumptions and limiting conditions, and appraiser's certifications in the appraisal report?

The modified scope of work, statements of assumptions and limiting conditions, and appraiser's certifications provided must be copied and pasted, in its entirety, into a text addendum, with no edits or alterations. This may be done on a separate text addendum form, or as part of a general text addendum.

Q16: [REVISED 03.31.20] Must a desktop appraisal or exterior-only inspection appraisal report be submitted "subject to" an extraordinary assumption?

The revised scope of work and certification removes the requirement for the appraisal to be submitted "subject to" an extraordinary assumption. If adequate information about the subject property is not available from a credible source, then the desktop or exterior-only inspection appraisal is not acceptable. Appraisers must have data sources they consider reliable. The assumption that data sources are correct is not considered an extraordinary assumption.

Q17: Bulletin 2020-5 says that reports for desktop appraisals must include subject photos. What photos are required?

At a minimum, there must be a front photo of the subject property. Additionally, in order to pass through automated review systems used by many lenders and AMCs, it may be necessary for the report to include all photos required for an appraisal based on an interior and exterior inspection. In such cases, an appraiser should include all photos that are available. Except for the required front photo, for photos that are not available, an appraiser may include a photo of a statement saying that the photo was not available.

Q18: [REVISED 07.29.20] Does an appraisal report have to include subject property and comparable sales photographs when the report is an exterior-only appraisal assignment?

The appraiser must provide an original photograph of the front of the subject property. For all other photographs, the appraiser may provide photographs from credible secondary data source(s). Although not required, the presence of a comparable photos page, with images, may be necessary to allow the appraisal report to pass automated system requirements.

Q19: [REVISED 03.31.20] Are manufactured homes (MH) and 2- to 4-unit properties covered even though there is no exterior-only appraisal form to support them?

We will allow Sellers to use Interior/Exterior forms for 2-4 and MH with the appropriate scope of work/limiting conditions/certifications narrative provided with the Bulletin 2020-5.

Q20: [REVISED 03.31.20] Manufactured home appraisals require specific, and detailed information from the HUD Tag. How will the appraiser obtain this information for desktop appraisals and exterior-only inspection appraisals?

For exterior-only inspection appraisals, the appraiser may obtain a photo of the HUD Tag, provided they are given permission by the property owner to access the site. For a desktop appraisal, the appraiser may request the owner or an individual that has access to the property to provide a photo of the HUD Tag and deliver it via email or other means to the appraiser.

With both the desktop and exterior-only appraisal, the appraiser may request the borrower, owner, or an individual that has access to the property interior to provide a photo of the HUD Data Plate. The appraiser will need to communicate with the lender or AMC to ensure there is sufficient information available to complete the assignment type ordered.

Q21: [03.31.20] Why does Freddie Mac allow the desktop appraisals for purchases but not for refinances?

Homes available for purchase are the most likely to have current photos and data concerning the subject property. Refinances may have very dated information in the MLS, if any at all. Having the appraiser complete an exterior inspection provides current information about the home's condition that might not be available otherwise. Reminder, for refinances of non-Freddie Mac owned mortgages and all cash-out refinances, we continue to require an interior and exterior inspection appraisal.

Q22: [03.31.20] When obtaining a desktop or exterior-only appraisal, does the Seller need to document that that they attempted to obtain an interior and exterior inspection appraisal and were not successful due to COVID-19?

No. Bulletin 2020-5, Impact of COVID-19 on Appraisals, lists the appraisal types that are suitable for each transaction type while maintaining prudent and responsible lending practices. Lenders delivering mortgages with one of the permitted flexibilities are not required to provide documentation showing that they could not obtain an interior and exterior inspection appraisal due to COVID-19. Lenders are empowered to exercise the flexibilities as described in Bulletin 2020-5.

Q23: [03.31.20] How should a Seller address markets with "shelter in place" mandates where appraisers are not deemed an essential workforce?

Sellers may use flexibilities described in Bulletin 2020-5. Travel restrictions will likely vary from location to location and Sellers and appraisers should comply with all applicable requirements in their jurisdiction. There may be instances where an appraisal simply cannot be obtained until circumstances change.

Q24: [03.31.20] Does an appraisal that includes the revised scope of work, statements of assumptions and limiting conditions, and appraiser's certifications provided in Bulletin 2020-5 also need an extraordinary assumption to address when information was provided by a party that may have a financial interest in the transaction?

No. As stated in Bulletin 2020-5, the appraiser's certification #10 was removed recognizing that the appraiser may have to rely on information from an interested party to the transaction (borrower, real estate agent, property contact, etc.) and additional verification may not be possible. The removal of this certification acknowledges this could affect the assignment's results, therefore, if adequate information is not available to complete the appraisal, the assignment cannot be completed.

Q25: [03.31.20] For purchase transactions, Freddie Mac's temporary requirements are dependent on mortgage LTV ratios which may be difficult for Sellers to operationalize. Does Freddie Mac have any suggestions on how to manage this operational challenge?

Each Seller will need to operationalize as they deem appropriate. In cases where the Seller is reasonably certain they will not be able to obtain an interior and exterior inspection appraisal, some Sellers use the contract sales price in order to estimate the LTV ratio prior to ordering the appraisal.

Q26: What guidance can Sellers provide to appraisers who claim it is a violation of USPAP to complete a desktop appraisal using forms designed for interior and exterior inspection appraisals, like the Form 1004/70?

The Appraisal Standards Board has issued guidance specific to this topic. They indicate that, with proper disclosure, the modified appraisal report form does not result in a misleading appraisal report or a violation of USPAP. The published Q&A can be found at: https://appraisalfoundation.sharefile.com/share/view/s6ab11bd59b64075a

Q27: If a desktop appraisal is ordered and accepted by the appraiser, may the appraiser expand the scope of work to include an exterior inspection of the subject property or comparable sales? In this situation, what identifier would the appraisal include in the Map Reference # field?

Yes. The appraiser is responsible for determining what is an adequate scope of work for any assignment and may choose to expand the scope beyond the minimum requirements. In this instance, the appraiser would enter "desktop" as this reflects the appraisal type agreed to with the acceptance of the assignment and the minimum scope of work required for the assignment.

Q28: Are Sellers permitted to submit an appraisal with an exterior-only inspection on Form 70, 465 or Cooperative Form 2090?

No, the exterior-only inspection appraisals permitted in accordance with the temporary flexibilities announced in Freddie Mac Bulletin 2020-5 must be completed on the following appraisal forms:

- Exterior-Only Inspection Residential Appraisal Report (Form 2055)
- Exterior-Only Inspection Individual Condominium Unit Appraisal Report (FRE 466/FNM 1075)
- Exterior Only Individual Cooperative Interest Appraisal Report (Fannie Mae Form 2095)
- Small Residential Income Property Appraisal Report (FRE 72/FNM 1025)
- Manufactured Home Appraisal Report (FRE 70B/FNM 1004C)

Q29: [REVISED 04.21.20] Given the appraisal flexibilities provided in Bulletin 2020-05, how will Freddie Mac perform post-purchase quality control reviews on the exterior-only inspection appraisal reports and desktop appraisal reports?

When Freddie Mac performs quality control or any other post purchase reviews on these appraisal reports they will be based on the modified scopes of work for the exterior-only inspection appraisal reports and desktop appraisal reports, respectively. The appraiser's description of the subject property must be complete, and the opinion of the market value of the subject property must be adequately supported. The review will include an assessment of whether there are property deficiencies, including those impacting safety, soundness, or structural integrity, that were reasonably discoverable in the normal course of business as of the effective date of the appraisal, given the applicable scope of work.

Q30: [04.7.20] For mortgages that require interior and exterior inspection appraisals, would the use of technology like Skype, FaceTime, etc. be sufficient to meet the requirement for an appraiser's physical inspection?

No. The Form 70 (along with the 456, 70B, 72, and FNM 2090) requires the appraiser to certify "I performed a complete visual inspection of the interior and exterior areas of the subject property." Virtual inspections are insufficient to comply with our Form 70 and other interior/exterior appraisal form requirements.

Appraisers are free to voluntarily deploy this technology as a means of augmenting the exterior-only (in combination with a drive by inspection from the street) and/or desktop appraisal flexibilities we announced for COVID-19. Appraisers must describe these as either "desktop" or "exterior", as the case may be.

Q31: [04.7.20] Can "virtual" inspections provided by a vendor or homeowner be used to complete the Completion Report (442) required to remove recourse on CHOICERenovation® loans?

No. We require an independent on-site inspection by the appraiser for a CHOICERenovation loan to qualify for recourse removal.

Q32: [04.07.20] In Bulletin 2020-8 Freddie Mac provided appraisal flexibility for new construction purchase transactions by allowing for completion of "desktop" appraisals. Is this flexibility available for all new construction purchase transactions, including second homes?

No. New construction purchase transactions are subject to the requirements provided in Bulletin 2020-5, including all requirements in the permissible appraisal requirements chart. Therefore, second homes with an LTV greater than 85% require an appraisal report based on an interior and exterior inspection.

Q33: [04.07.20] For new construction appraisals completed using the flexibilities in Bulletin 2020-8, does a builder have to provide bedroom photographs for dwellings that are complete to at least the drywall stage?

Yes. In addition to the plans, specification and other photograph exhibits, a builder must provide photos of the bedrooms to the appraiser.

Q34: [04.14.20] As a Seller we used the flexibilities in Bulletin 2020-5 and engaged a desktop appraisal. However, the appraiser expanded the scope of work and viewed the subject and comparable sales from the street. The appraisal report also included interior photos provided by the borrower. What should the appraiser enter into the Map Reference field?

On a desktop assignment, nothing precludes the appraiser from expanding the scope of work; however, the Map Reference field must reflect "desktop" as it represents the minimum scope of work.

Q35: [04.14.20] In Bulletin 2020-5 Freddie Mac provided the flexibility for when an appraisal was completed "subject to repairs or alterations" a signed letter from the borrower confirming that the work was completed is allowed. Can the requirements of this letter be provided via email?

The Seller is responsible for ensuring this letter and supporting documentation is in the mortgage file. The borrower and Seller can use electronic means of communication, for example email, to transmit the signed letter and verification documentation.

Q36: [04.14.20] What does it mean when Loan Product Advisor provides the messages related to Freddie Mac's ownership of the existing mortgage?

These messages are provided on no cash-out refinance mortgages when Freddie Mac has identified that the mortgage being refinanced is owned by Freddie Mac. This identification can be used to apply the appraisal flexibilities identified in Bulletin 2020-05. Please review the standardized address in the message to ensure accuracy.

Q37. [04.28.20] Guide Bulletin 2020-5 states that the use of an exterior-only inspection is only allowed on no cash-out refinance transactions if the mortgage being refinanced is owned by Freddie Mac. How do I know if the mortgage is owned by Freddie Mac?

There are three ways you can determine if Freddie Mac owns the mortgage that is being refinanced, provided the borrower has authorized you to obtain this information on their behalf.

- Loan Product Advisor has been updated with feedback messaging that will alert you when the mortgage being refinanced with a no cash-out refinance transaction is owned by Freddie Mac. Refer to the feedback message in the Property and Appraisal section, listing the Freddie Mac loan number for reference.
- We've developed a Loan Look-Up application programming interface (API) that you can build to permit a search in Freddie Mac's datastore for matching records. To build the API, you'll need access to our Developer Portal. To learn more and find out how to get access, visit the Developer Portal customer test environment and click the COVID-19: Loan Look-Up Request button.
- You can use the Freddie Mac Loan Look-Up Tool.

Q38: [04.14.20] I am the Servicer of the loan being refinanced and our records indicate the loan is owned by Freddie Mac, however I did not receive either of the new refinance messages. Does this mean that the mortgage being refinanced is not owned by Freddie Mac?

Not necessarily:

- Please confirm the address and SSN of all borrowers to your servicing records and resubmit.
- Make corrections if applicable and resubmit.
- If upon resubmission the messages are not returned, please reference the Freddie Mac Loan Look-up Tool.

Q39: [04.14.20] I am not the Servicer of the loan being refinanced and I did not receive either of the new refinance messages, does it mean that the mortgage being refinanced is not owned by Freddie Mac?

Not necessarily:

- If upon resubmission the messages are not returned, please reference the Freddie Mac Loan Look-up Tool.
- If the look-up tool showed a match, please confirm the address and SSN of all borrowers and resubmit.

Q40: [04.14.20] If I receive the refinance messages on the resubmission of loans that were originally submitted to Loan Product Advisor before the date the messages are implemented (that did not have an offering ID for Enhanced Relief Refinance), does that change my Loan Product Advisor results?

No. The two messages are strictly informational and do not affect your assessment.

Q41: [04.14.20] I received the same Freddie Mac loan number message (LPN-X1 or FGM0110) on Enhanced Relief Refinance loans. Does this mean that the loan now qualifies for Enhanced Relief Refinance?

No. Enhanced Relief Refinance is a separate Freddie Mac offering, which must be explicitly requested in your Loan Product Advisor submission. The new messages returned on your Loan Product Advisor no cash-out refinance loans are strictly informational and are not related to the Enhanced Relief Refinance program. For more details, read the Enhanced Relief Refinance fact sheet.

Q42: [04.14.20] Will Loan Product Advisor be updated to provide the applicable appraisal form types required based on Bulletin 2020-05?

No. The Seller must refer to Bulletin 2020-05 to identify the permissible appraisal form type. Please be advised that Loan Product Advisor minimum assessment feedback (MAF) messages will not be updated to reflect the temporary appraisal flexibilities.

Q43: [REVISED 05.05.20] How long will these refinance messages for the temporary appraisal flexibilities be available?

The temporary flexibilities are effective immediately for all mortgages in process and remain in place for mortgages with Application Received Dates on or before June 30, 2020. Currently Loan Product Advisor does not receive the Application Received Date. Please note, due to customer feedback we will continue to return these messages on Freddie Mac-owned no cash-out refinances for informational purposes only.

Q44: [7.29.20] Does the copy of the executed UCC-1 financing statement provided to the document custodian for a Cooperative Share Loan need to have an original filing stamp?

Yes. As provided in Guide Section 6304.2(b), Freddie Mac requires Sellers to provide document custodians a copy of the recorded UCC-1 financing statements with the original filing stamp for cooperative share loans. Copies of UCC-1 financing statements that do not have the original filing stamp may not be certified by document custodians. We have not provided COVID-19 related flexibilities for cooperative share loan documentation.

Post Funding QC Reviews FAQs Related to COVID-19

Q1: [03.31.20] If my company is not having issues performing reverifications at this time, do I have to implement these flexibilities?

The flexibilities offered in Bulletin 2020-8 should only be implemented if needed by your company.

Q2: [03.31.20] Does a checklist exist to support the temporary relief from Field Reviews?

Yes, in the event a field review is not possible, Freddie Mac has developed a checklist to help your QC reviewer appropriately provide an alternative valuation opinion. The checklist is for convenience purposes and is not a substitute for the requirements in the Guide.

Please see the attached link for an online copy of the checklist.
https://sf.freddiemac.com/content/_assets/resources/pdf/forms/freddiemac_qcfieldreview_checklist_v1_fillable.pdf

Q3: [03.31.20] Is a reviewer required to use the checklist developed by Freddie Mac to evaluate the appraisal in lieu of a field review?

No, the use of the checklist is not mandatory; it simply provides recommended areas of focus for completing the review.

Q4: [03.31.20] By completing the checklist, does the Seller receive representation and warranty relief?

No, the checklist is not a substitute for the requirements in the Guide and does not provide representation and warranty relief with its use.

Q5: [03.31.20] What if I cannot obtain tax transcripts that are required as part of my post-closing QC process?

If verbal or electronic reverifications cannot be completed, Sellers can complete the file review without the reverification. However, Sellers must:

- Track which loans did not have a reverification attempt during this time; and
- At the expiration of the effective term in Bulletin 2020-8 conduct a special discretionary sample of such mortgages and perform the required reverifications on the sample population.

As a reminder, the reporting requirements of Guide Section 3402.10 continue to apply with respect to this special discretionary sample.

Note: you should prioritize execution of 4506-T's in your special discretionary sample due to the expiration date of the 4506-T Form.

Q6: [03.31.20] Do these flexibilities apply to QC vendors?

QC vendors should only adopt these flexibilities based on guidance from their Seller customers.

Q7: [03.31.20] How should we conduct the special discretionary sampling required for the verifications typically mailed but not possible through alternative verbal or electronic means?

Freddie Mac requires that you conduct a meaningful sample of this population. The Seller must determine its sampling methodology and sample size depending upon its unique circumstances and population size.

Q8: [03.31.20] Will a loan entering early payment default status result in an automatic repurchase request?

No, we will follow existing QC practices to review any sampled loan against the requirements of the purchase documents in place at the time of delivery to Freddie Mac. Remedies for any identified Defects will be issued in accordance with Section 3401.1.

Q9: [04.09.20] When should a Seller take advantage of the temporary reverification flexibility announced in Bulletin 2020-8?

This flexibility is offered for Sellers that may not have the ability to mail manual reverifications or the electronic service they utilize is not available for processing during the coronavirus pandemic. In such case, a Seller can complete the file review without attempting the reverification, provided the Seller meets the tracking and sampling requirements set forth in Bulletin 2020-8.

Q10: [04.09.20] Are IRS Form 4506-T requests included in the temporary flexibility announced in Bulletin 2020-8 for reverifications that are typically mailed?

Yes, Form 4506-T requests are included.

As a reminder, Sellers are encouraged to prioritize 4506-T Forms in their special discretionary samples due to the expiration date of the 4506-T Form.

Q11: [04.09.20] How should Sellers treat IRS Form 4506-T requests that are "in process" but have been delayed?

An IRS Form 4506-T that has been delayed should be treated as a reverification flexibility; however, when the IRS resumes operations and the tax transcript is obtained, a Seller may remove the loan from the special discretionary sample selection required for reverification flexibilities.

Q12: [05.05.20] When must a Seller self-report a mortgage in COVID-19 related forbearance to Freddie Mac?

A Seller must self-report the mortgage through the post-fund data correction process or, alternatively, through the QC reporting process, within thirty days of discovery, as set forth in Bulletin 2020-14.

Q13: Are you making any changes to your QC practices with respect to mortgages impacted by COVID-19, including the flexibilities announced in Bulletin 2020-5?

No, we are not making changes to our QC practices with respect to these loans. See Guide Chapter 3401 for a description of our quality control practices. The Selling and Servicing remedies processes described in Guide Chapter 3602 will continue to apply, including the repurchase alternatives and the appeals process. Note that these flexibilities announced in Bulletin 2020-5 generally do not change our overall credit standards.

Title, Closing, Notarization

Notarization

Q1: [04.07.20] Does Freddie Mac permit Remote Online Notarization (RON) on loans that include wet-ink signed promissory notes (i.e. non-eMortgages)?

Yes. Loans closed through the RON process can include either wet-ink signed promissory notes (i.e. non-eMortgages) or electronically signed notes (i.e. eMortgages). Sellers can deliver loans with electronically signed notes only if they are approved to deliver eMortgages.

Q2: [04.07.20] Can a borrower electronically sign a promissory note that is not an eMortgage?

No. A “paper” promissory note may only be wet-ink signed due to restrictions of applicable law. Only eMortgage related notes may be electronically signed.

Q3: [04.07.20] What is Freddie Mac’s methodology in determining the list of States in which Remote Online Notarization (RON) is permitted?

In determining the states to be included in Exhibit C of Guide Bulletin 2020-8, a state that has not enacted an express Remote Online Notarization statute is analyzed based on the likelihood that its overall legal structure will recognize RON. The issuance of a governor’s emergency executive order is one of several factors in such analysis.

Q4: [04.07.20] Will Freddie Mac update the list of States in which Remote Online Notarization (RON) is permitted based on executive orders or state law issued since publication?

We are actively reviewing any additional governors’ executive orders and any state and federal laws to update the list of States in which RON process is permitted.

Based on our most such recent review, Sellers can now deliver loans with loan documents that are notarized through RON process, in the additional states listed below, subject to Guide Bulletin 2020-8 requirements.

- Arkansas
- Georgia
- Hawaii

Q5: [Revised 9.17.20] Freddie Mac Guide Bulletin 2020-35 requires Sellers to maintain the recording of the notarial ceremony for greater of (a) 10 years, or (b) the time period specified in the RON law(s) of the State in which the notary is licensed. Does this mean that the Sellers are responsible to obtain a copy of the recorded notarization session and retain it in their files?

Freddie Mac is not prescribing whether the Seller must obtain a copy and store it or if the Seller can have a Remote Online Notary technology provider store it for them and provide access to the Seller. Regardless of the storage method chosen, the Seller is responsible to ensure they can obtain the recording of the notarial ceremony, upon our request, for greater of (a) 10 years, or (b) the time period specified in the RON law(s) of the State in which the notary is licensed.

Q6: [04.10.20] Does Freddie Mac permit loan closings in which the notary public a) witnesses the borrower wet-ink signing of loan documents remotely (via Zoom, Skype, or other audio/video methods) and b) receives the borrower's signed documents via FedEx/UPS/USPS to complete the notarization?

Freddie Mac does not restrict Sellers from using this process as long as the notary that is licensed in that state is comfortable notarizing documents signed through such process, consistent with applicable state law, and the title insurance company provides title insurance on such loans without any caveats/restrictions. If the process is only enabled pursuant to a temporary executive order of a state's governor, the process would not be acceptable upon expiration of that Executive order.

Note: This process should not be confused with Remote Online Notarization, as Remote Online Notarization is electronic notarization of electronically signed documents using two-way secure audio/video live connection in compliance with applicable state laws and Freddie Mac minimum standards published in Guide Bulletin 2020-8.

Q7: [NEW 9.17.20] How does the update to the period of time that the recordation of the notarial ceremony must be retained (as announced in Bulletin 2020-35 on August 27) impact mortgages delivered before August 27, 2020?

The update to record retention requirements applies to all mortgages delivered with remote online notarizations in accordance with the requirements in Bulletin 2020-8. For mortgages delivered prior to August 27, 2020, Sellers will not be required to store the notarial ceremony for the life of loan and instead must maintain the notarial ceremony in compliance with the updated requirements of Bulletin 2020-35.

Title Insurance: Land Record and Recording Office Closures

Q1: [04.07.20] How many land records offices are partially or fully closed for title examinations and/or recordings?

Sellers should stay abreast about the status of land records offices by visiting and reporting to the coronavirus website maintained by the American Land Title Association ("ALTA") which contains information about land records offices. You should also stay engaged with your title and closing partners to assess which jurisdiction may not be suitable for closings until the land records offices have reopened.

Title Insurance: Permitted Exceptions

Q1: [04.07.20] Is a lender's title policy with an exception based on the gap between closing and recordation or coronavirus in general acceptable for delivery to Freddie Mac?

No. The only permissible exceptions in the policy are those listed in Guide Section 4702.4. Neither a specific exception for "gap coverage" nor a general exception for complications caused by the coronavirus comply with that section.

Powers of Attorney ("POA")

Q1: [REVISED 03.31.20] What are Freddie Mac's requirements for the use of a power of attorney for the borrower in closings?

Please refer to Guide Bulletin 2020-8 for temporary flexibilities on the use of powers of attorney.

Q2: [04.07.20] How much detail must the pre-closing discussion with the borrower have?

Many borrowers may never have used a POA before and may not understand that the closing could occur without their final involvement. The Seller or settlement agent should give an overview of how the POA is used to sign on behalf of the Borrower and review the final terms of the mortgage loan to ensure they understand them.

Q3: [04.07.20] What should the pre-closing acknowledgment from the borrower look like?

The acknowledgment from the borrower should memorialize that the borrower understood the content of the discussion. It does not need to be signed, made under oath, or notarized. It may be made in writing or recorded on a teleconference or video conference. If in writing, the acknowledgement should be kept in the mortgage file and if recorded, stored in a medium that it may be provided to Freddie Mac upon request.

Q4: [04.07.20] May a power of attorney be used with a cash-out refinance under Guide Section 6301.4 but not the new flexibilities announced in Bulletin 2020-8?

Yes, the COVID-19 pandemic constitutes an emergency such that POAs may be used under the current Guide Section 6301.4. However, cash-out refinances cannot be closed with the POA flexibilities recently announced.

Sale of Mortgages in Forbearance

Change in circumstances before the note date

Q1: [04.22.20] The borrower lost their job or experienced another change in circumstances before the note date. Is this mortgage eligible for sale to Freddie Mac?

The mortgage may be eligible for sale to Freddie Mac provided that all of the requirements of the Purchase Documents are met, including any requirements that the borrower be requalified and the mortgage be resubmitted to Loan Product Advisor.
See Section 5101.6: *Resubmission requirements/Loan Product Advisor® tolerances* for when a change in information from a previous submission does not require resubmission to Loan Product Advisor.

General eligibility

Q1: [04.22.20] Is the mortgage eligible for sale to Freddie Mac if the borrower calls the Seller/Servicer after the note date and asks about forbearance options but does not request forbearance?

Yes, provided all requirements of the Purchase Documents are met, including but not limited to the provision of Guide Section 4201.13 that there may be no circumstances adversely affecting the value of the mortgage.

Q2: [04.22.20] After the note date, the borrower informs the Seller/Servicer that he or she has experienced a change in circumstances but does not request forbearance. Is the mortgage eligible for sale to Freddie Mac?

The mortgage may be eligible for sale to Freddie Mac provided all of the requirements of the Purchase Documents are met, including but not limited to the requirements of Guide Section 5101.7. Resubmission to Loan Product Advisor® after the note date.

Eligibility under the temporary provisions of Bulletin 2020-12

Q1: [REVISED 09.24.20] Is the mortgage eligible for sale to Freddie Mac if the borrower calls the Seller/Servicer after the note date and requests forbearance due to financial hardship caused directly or indirectly by COVID-19, but the Servicer doesn't approve the borrower for the forbearance plan?

The mortgage may be eligible for sale to Freddie Mac through December 31, 2020 if it meets the temporary requirements announced in Bulletin 2020-12, as subsequently extended in Bulletins 2020-17, 2020-23, 2020-30, 2020-35 and 2020-37. Otherwise, it is not eligible for sale regardless of whether the Seller/Servicer approves or the borrower accepts the forbearance plan offer.

Q2: [REVISED 09.24.20] Is the mortgage eligible for sale to Freddie Mac if the borrower is current in making their monthly mortgage payment(s) but before the mortgage is sold to Freddie Mac, the Seller/Servicer approves the borrower for forbearance starting with a future monthly payment?

The mortgage may be eligible for sale to Freddie Mac through December 31, 2020 if it meets the temporary requirements announced in Bulletin 2020-12, as subsequently extended in Bulletins 2020-17, 2020-23, 2020-30, 2020-35 and 2020-37. Otherwise, once the Seller/Servicer approves a forbearance plan the terms of the mortgage have been waived or changed and the mortgage would be ineligible under Guide Section 4201.2.

Q3: [REVISED 09.24.20] Is the mortgage eligible for sale to Freddie Mac if the borrower is approved for the forbearance plan but still makes timely payments and remains current?

The mortgage may be eligible for sale to Freddie Mac through December 31, 2020 if it meets the temporary requirements announced in Bulletin 2020-12 as subsequently extended in Bulletins 2020-17, 2020-23, 2020-30, 2020-35 and 2020-37. Otherwise, once the Seller/Servicer approves a forbearance plan the terms of the mortgage have been waived or changed and the mortgage would be ineligible under Guide Section 4201.2.

Q4: [04.22.20] Will Freddie Mac exercise remedies if it is discovered that the mortgage was in forbearance, or the borrower requested forbearance in connection with hardship due to COVID-19 prior to the date on which the mortgage was sold to Freddie Mac?

Freddie Mac will not exercise remedies in connection with these loans if the only defect is that the mortgage was in forbearance, as defined in Bulletin 2020-12, and all requirements in Bulletin 2020-12 are met.

Q5: [04.22.20] The borrower lost their job before the note date and the Seller/Servicer became aware of it when the borrower requested forbearance after the note date. Can I use the provisions of Bulletin 2020-12 and sell the loan to Freddie Mac?

No. As stated in the Bulletin 2020-12, the Seller remains responsible for all other representations and warranties in the Guide, including all requirements related to underwriting the borrower to ensure the borrower is qualified for the mortgage as of the note date.

Q6: [04.22.20] For mortgages sold to Freddie Mac in accordance with the temporary requirements announced in Bulletin 2020-12, is the Seller responsible for documenting in the mortgage file that the forbearance is COVID-19 related?

No.

Q7: [06.03.20] If the mortgage goes into forbearance on the Freddie Mac settlement date of the loan, does the forbearance Credit Fee in Price apply?

Yes. If the forbearance begins on the settlement date of the loan, the Credit Fee in Price will be assessed. Please refer to the Post Fund Data Correction instructions to add the IFI.

Q8: [06.03.20] Is the mortgage subject to the temporary requirements of Guide Bulletin 2020-12 if the borrower went into forbearance after the note date, did not miss any mortgage payments and the forbearance subsequently ended before the loan was sold to Freddie Mac?

The mortgage is not subject to the requirements of the Guide Bulletin 2020-12, as long as the seller verifies and documents in the mortgage file that:

- the forbearance plan was terminated prior to the Freddie Mac settlement date, and
- the borrower did not miss any mortgage payments, and
- the borrower did not experience a change in circumstance or financial hardship after the note date.

As a reminder, as stated in Guide Section 1301.8, sellers make all representations and warranties as of the Freddie Mac settlement date of the mortgage, including but not limited to the following: (i) the seller is in compliance with its agreements contained in the Purchase Documents, and (ii) that the seller has not misstated, misrepresented, or omitted any material fact about the mortgage.

Q9: [06.03.20] If, as a result of a QC review on a mortgage delivered under the temporary flexibilities announced in Bulletin 2020-12, Freddie Mac discovers that a borrower who went into forbearance after closing had lost his/her employment on or before the day of closing, is the mortgage eligible for sale to Freddie Mac?

If a borrower was not employed on the note date, the loan would be ineligible for sale to Freddie Mac regardless of the temporary flexibilities set forth in Bulletin 2020-12. The loss of employment would constitute a significant defect and the mortgage would be subject to repurchase unless there is other eligible documented income that would satisfy our qualification requirements. Freddie Mac's standard QC process, including a seller's opportunity to provide additional information or documentation in the rebuttal process, would apply.

Q10: [06.03.20] When does forbearance end?

Forbearance ends on the scheduled last day of the forbearance term, unless the servicer and borrower agree to shorten the forbearance term, in which case the forbearance ends on the agreed-upon date.

Q11: [REVISED 08.26.20] I delivered a mortgage that does not meet the requirements for the sale of a mortgage in forbearance outlined in Bulletin 2020-12. How will this be handled?

Sellers must self-report any mortgage in forbearance that does not meet the requirements outlined in Bulletin 2020-12 and subsequently extended in Bulletins 2020-17, 2020-23 and 2020-30. Sellers should email their loan list using the Forbearance Loan Data Template to the quality control mailbox: Seller_Servicer_QC_Reporting@freddiemac.com, or submit it through Quality Control Advisor®. Freddie Mac will require the Seller to remedy the mortgage as described below:

Settlement Date	Scenario	Remedy*
Prior to 5/1/2020	The mortgage meets all of the eligibility requirements of Bulletin 2020-12, including note date, loan purpose, and pay history requirements, except that the Freddie Mac settlement date was prior to 5/1/2020.	The Seller/Servicer may elect to pay the applicable Credit Fee in Price identified in Bulletin 2020-12 or repurchase the mortgage.
Prior to 5/1/2020	The mortgage does not meet the note date, loan purpose, or pay history requirements of Bulletin 2020-12.	The Seller/Servicer must repurchase the mortgage.
On or after 5/1/2020	The mortgage does not meet the note date, loan purpose, or pay history requirements of Bulletin 2020-12.	The Seller/Servicer must repurchase the mortgage.

***The remedies set forth above are subject to the following conditions:**

- In the scenario where the Seller/Servicer may elect a remedy, that remedy must be applied to all mortgages in forbearance sold to either Freddie Mac or Fannie Mae that meet the terms of such scenario.
- The repurchase price for any repurchase in the above chart will include: a) the amount of the repurchase proceeds calculated as described in Guide Section 3602.5, b) the premium recapture fee as described in Guide Section 3602.5, and c) indemnification for losses incurred as a result of investor claims arising in connection with the repurchase. The collection of the premium recapture fee and indemnification for losses may occur separate and apart from the Seller/Servicer's payment of the repurchase proceeds.

Q12: [8.26.20] How should a Seller report ineligible COVID-19 forbearance mortgages?

To self-report your COVID-19 forbearance mortgages, please email the loan list using the Forbearance Loan Data Template to the QC mailbox: Seller_Servicer_QC_Reporting@freddiemac.com or submit it through Quality Control Advisor. Please note: It is imperative when self-reporting loans to use the Forbearance Loan Data Template to ensure the quickest review and results. Make sure to include the forbearance request date because it is required to determine program eligibility (i.e., note date = 4/1, forbearance request date = 4/2, loan funding date = 4/15, forbearance plan setup date = 5/1, this loan is considered ineligible because the forbearance request date is before funding).

Please Note: Do not use the Voluntary Repurchase Mailbox (repurchase@freddiemac.com) to report these loans.

Q13: [08.26.20] Are cash-out refinance mortgages eligible?

No. Cash-out refinances are ineligible and require repurchase.

Q14: [08.26.20] I delivered the mortgage after May 1 and at the time it was funded by Freddie Mac, I did not realize it was in forbearance. What do I do?

If the loan meets all other requirements of Bulletin 2020-12, you need to complete the post fund data correction and add the applicable investor feature identifier (IFI). If the loan does not meet all other requirements, you must self-report the loan using the process described above.

Q15: [06.11.20] I delivered a mortgage in forbearance that meets the eligibility requirements for a mortgage in forbearance outlined in Bulletin 2020-12, but I did not include the appropriate Investor Feature Identifier. How will this be handled?

Seller/Servicers must self-report any mortgage in forbearance that meets the requirements of Bulletin 2020-12 but did not contain the appropriate J76 or J77 Investor Feature Identifier. Seller/Servicers should use the Post Fund Data Correction process to request Freddie Mac's correction of the correct IFI code and Freddie Mac will process the necessary data corrections and apply the appropriate Credit Fee in Price. Alternatively, Seller/Servicers may self-report in accordance with the QC reporting provisions in Guide Section 3402.10 or through Quality Control Advisor®.

Q16: [06.11.20] Will Freddie Mac offer any repurchase alternatives for mortgages in the above grid where the only remedy is repurchase?

No.

Q17: [06.11.20] How do I make my election to repurchase versus pay the Credit Fee in Price?

Seller/Servicers should contact their Freddie Mac representative or call the Customer Support Contact Center at 800-FREDDIE how to make their election or if they have questions.

Q18: [06.11.20] Can I change my election?

No. Once a Seller/Servicer makes its election, the decision is final and cannot be changed. Seller/Servicers should be thoughtful in analyzing the option to repurchase (with its attendant requirements to repay the premium and make indemnification payments for all investor claims) versus pay the Credit Fee in Price.

Q19: [6.11.20] May I make a different election with respect to loans I sold to Fannie Mae?

No. Once you make a remedy, that same remedy for all mortgages in the scenario where an election is possible regardless of which GSE the mortgage was sold to.

Q20: [6.11.20] Will my election apply to loans that are discovered by Freddie Mac through its QC process in addition to self-reported loans?

Yes. The same remedies will apply to loans identified by Freddie Mac though its QC process. If QC identifies other significant defects for loans sold prior to 5/1 and the Seller elected Credit Fee in Price, those other significant defects could result in repurchase.

Q21: [6.11.20] How do I calculate potential investor claims for which I must indemnify Freddie Mac when I repurchase a mortgage?

In the event investors in Freddie Mac securities pay a premium that exceeds any premium paid to the Seller, the Seller will be responsible to pay the excess amount apportioned based on loan UPB and impacted investors that choose to make claims.

For more information, visit https://sf.freddiemac.com/faqs/covid-19-selling-related-frequently-asked-questions.