

It is important to establish trust and confidence in the early stages of communications with borrowers. The more knowledge you have about the default management process, workout options and, if necessary, the foreclosure process, the better you can assist delinquent borrowers. Educating the borrower sets clear expectations and enables quicker delinquency resolution.

This reference guide provides servicing staff with information that supports communication with borrowers during the collection and loss mitigation process. For additional information about collection efforts and managing delinquencies, refer to the following chapters in the *Single-Family Seller/Servicer Guide* (Guide):

- Guide Chapter 9101: *Delinquency Management for Mortgages Secured by Primary Residences*
- Guide Chapter 9102: *Delinquencies*
- Guide Chapter 9200: *Loss Mitigation*

This reference guide:

- Defines “[quality right party contact](#)”
- Provides [Best Practices](#) for communicating and building trust with the borrower
- Outlines our [call center performance standards](#)
- Provides information on our [minimum requirements for collection efforts](#)
- Introduces the [Borrower Solicitation Package](#)
- Reviews the [Alternatives to Foreclosure Hierarchy](#)
- Highlights [Electronic Default Reporting](#) requirements

Establishing Borrower Contact

Servicing of a delinquent mortgage must be based upon personal contact, either by telephone, email or face-to-face interviews with a borrower. Form letters and notices, while having a place in any servicing program, generally are not as effective as personal contact and must not be used exclusively.

Collection techniques must include the use of:

- Telephone contacts or face-to-face interviews.
- Written communications such as email, notices and letters.
- Other responsible collection techniques used by prudent mortgage servicers such as email or a Servicer’s web portal.

If you discover that the borrower’s contact information (phone number or mailing address) is invalid, then you should initiate skip trace activities to obtain alternate phone numbers or mailing addresses.

Quality Right Party Contact

The first objective in contacting a delinquent borrower is to establish quality right party contact.

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.

© 2025 Freddie Mac



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.

Freddie Mac encourages and fully supports Servicers that have or will implement additional processes, such as a single point of contact model, not currently required under the Guide or Servicers' other Purchase Documents for purposes of achieving contact continuity throughout the delinquency process. If the Servicer elects to have a process supporting a single point of contact model and is using a team approach, the Servicer should provide the borrower the ability to request and speak to a specific person from the assigned personnel team and leave a message. However, the Servicer may not use any additional processes that are not compliant with applicable law or otherwise averse to Freddie Mac.

Best Practices for Communicating and Building Trust with the Borrower

Use the following best practices to communicate and build trust with the borrower.

Best Practices for Communicating and Building Trust with the Borrower	
☑	Build trust with the borrower within the first 10-15 seconds by establishing empathy and a desire to help identify and discuss with the borrower, co-borrower, or trusted advisor, such as a housing counselor, the most appropriate options for delinquency resolution. <i>"Hello, my name is _____ and I am with _____. I see that you are behind on your mortgage payments, and I would like to talk more and see if there is anything we can do to help you get back on track."</i>
☑	Ascertain the borrower's hardship and financial difficulties, and then review their finances. <i>"Okay, now that I understand your hardship and financial difficulties, let's look at your finances."</i>
☑	Initiate telephone contact at least every fifth day. Target high-risk borrowers such as those at risk for a worsening delinquency based on a Collection and Loss Mitigation Tool used in accordance with Guide Section 9102.4 or mortgages subject to the Special Servicing and Early Delinquency Counseling requirements in Guide Section 9102.4. Conduct calls at different times of the day and evening until quality right party contact has been established.
☑	When quality right party contact has been established, document the loan with the best time to call and verify best contact numbers.



Best Practices for Communicating and Building Trust with the Borrower	
☑	<p>Ask open ended questions:</p> <ul style="list-style-type: none"> ▪ What are your intentions on retaining ownership? ▪ Are you currently occupying the property? ▪ Is your financial hardship temporary or permanent? Document the financial hardship. ▪ When do you expect the financial hardship to be resolved, if temporary? <p>Once you have these questions answered, then you can proceed in discussing with the borrower the “best” workout option for the borrower regardless of whether it is relief, retention, liquidation or foreclosure.</p>
☑	<p>The message to the borrower should be very clear. Set expectations with the borrower. Explain to the borrower the deliverables and follow-up dates. Follow through with your commitment to the borrower.</p> <p><i>“You will receive correspondence within the next ___ days. You must complete the package and return it within 30 days. Once your complete package is received, we will review it for a possible workout solution and provide you with a decision within 30 days.”</i></p>
☑	<p>Never tell a borrower to stop making payments. If you are unable to accept payments due to foreclosure status, the borrower should be advised to place those payments aside to use toward a workout option.</p>

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
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 the last paid installment for all eligible borrowers.</p>
Order by the 90 th day and receive by the 120 th day	<p>Continue to obtain a newly completed property inspection report every calendar month unless:</p> <ul style="list-style-type: none">• QRPC was achieved in the last 30 days• The borrower made a full P&I payment within the last 30 days• The borrower filed for bankruptcy and is performing under the plan or an inspection would be a violation of the automatic stay provision• The Servicer has reported a foreclosure sale, a third-party sale, or a deed-in-lieu of foreclosure
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>

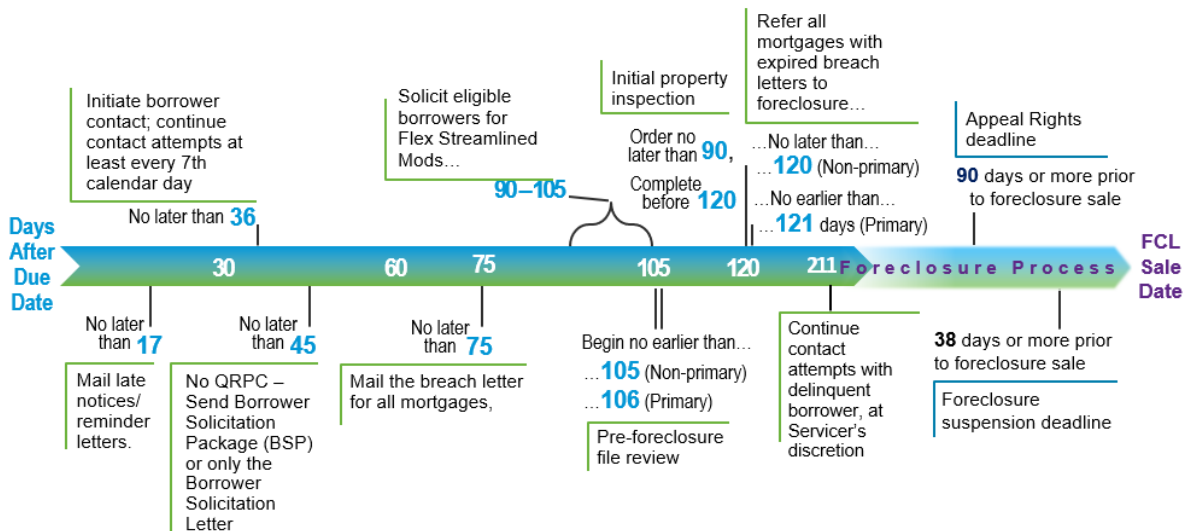


Calendar Days After the Due Date	Required Actions
120	<p>Refer all mortgages secured by properties other than primary residences and mortgages secured by primary residences when permitted by applicable law, including first-lien mortgages, modified mortgages, and second mortgages/HILs, with expired breach 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.
121 and beyond (May be earlier if the loan is referred to foreclosure prior to the 120 th day of delinquency.)	<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.
211	<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>



Minimum Collection Efforts Timeline

This timeline will help you better visualize when the specific servicing requirements should take place within the delinquency period.



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:

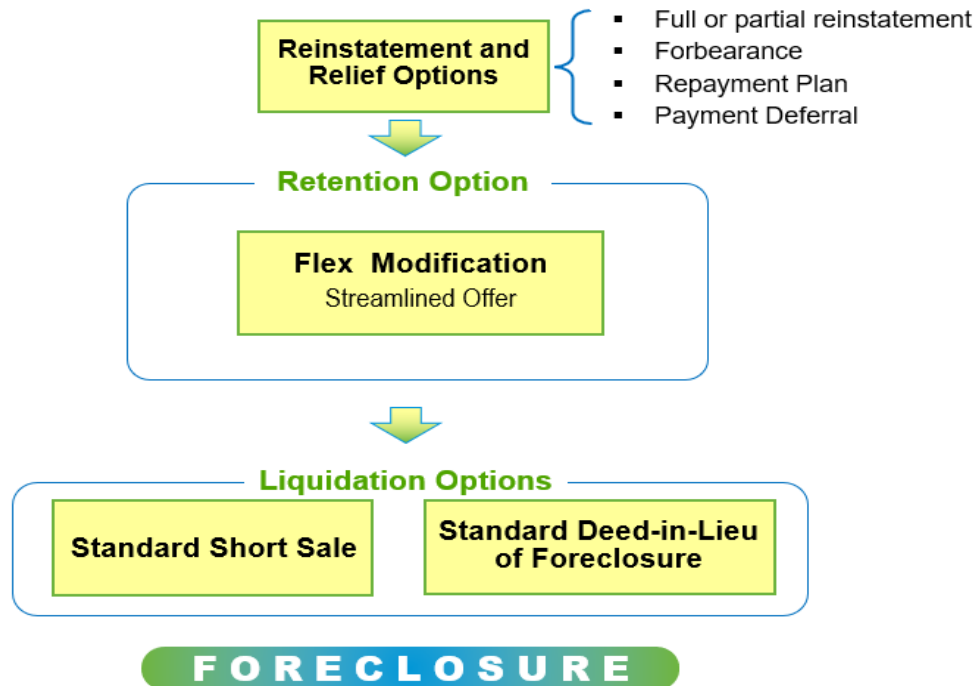
- A Borrower Solicitation Package that includes the Borrower Solicitation Letter, Guide Form 710, and foreclosure rescue scam information.
- The Borrower Solicitation Letter and elect to send Guide Form 710, FAQs, and foreclosure rescue scam information when you establish quality right party contact. 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.



Loss Mitigation: Alternatives to Foreclosure Evaluation Hierarchy

The following information provides an overview of the Evaluation Hierarchy in the Guide Section 9201.2.



If a borrower who is current or less than 31 days delinquent contacts you for loss mitigation assistance, you must first evaluate the borrower for a reinstatement, relief or workout option as set forth in Guide Chapter 9203.

If a reinstatement or relief option as provided in Chapter 9203 is not appropriate based on borrower circumstances, the borrower may qualify for a workout option under the Guide. You must consider a borrower for workout options in the following sequence:

- You must first consider a borrower for a Freddie Mac Flex Modification® in accordance with the requirements of Guide Chapter 9206.
- If a borrower is ineligible for a Flex Modification, does not accept a Flex Modification Trial Period Plan offer, or fails to complete a Flex Modification Trial Period Plan, you must next consider the borrower for a Freddie Mac Standard Short Sale ("Standard Short Sale") pursuant to Guide Chapter 9208.
- If a borrower is ineligible for a Standard Short Sale or a Standard Short Sale is not a viable option, you must next consider the borrower for a Freddie Mac Standard Deed-in-Lieu of Foreclosure ("Standard Deed-in-Lieu") in accordance with the requirements of Guide Chapter 9209.

You must determine if the borrower is eligible for a streamlined offer for a Flex Modification in accordance with Guide Section 9206.5(c) and if eligible, solicit the borrower for such modification in accordance with Guide Section 9102.5(a) when a borrower:

- Becomes 90 days delinquent,

Note: If the borrower's hardship is the result of an Eligible Disaster and the borrower indicates he or she is able to resume making the existing contractual payments on the mortgage, you must evaluate



the borrower for a Freddie Mac Disaster Payment Deferral if a reinstatement or repayment plan is not a viable option. If the borrower is not eligible for or declines the Disaster Payment Deferral, you must then evaluate the borrower for a Disaster Flex Modification.

If the borrower's hardship is one of the four listed below and the borrower has indicated a desire to sell or vacate the property, you may consider the borrower for a Standard Short Sale without first evaluating the borrower for a home retention option; however, you must ensure that the borrower is aware that a home retention option may be possible:

- Death of a borrower or death of the primary or secondary wage earner in the household.
- Long-term or permanent disability; serious illness of a borrower/co-borrower or dependent family member.
- Divorce or legal separation; separation of borrower unrelated by marriage, civil union or similar domestic partnership under applicable law.
- Distant employment transfer, including Permanent Change of Station orders or relocation due to new employment, where the transfer or new employment location is greater than 50 miles one-way from the borrower's current primary residence.

If the borrower is not eligible for a relief or workout option, but you believe that a relief or workout option is still the best solution to the delinquency, then you may submit a recommendation to Freddie Mac for review along with the reason for the recommendation, in accordance with the submission procedures in the relevant chapters for relief or workout options.

Additionally, Freddie Mac has a charge-off option available to cease collection and loss mitigation activities on a mortgage, under certain conditions. (See Guide Sections 9210.1 through 9210.6 for requirements related to the charge-off option.)

Electronic Default Reporting (EDR)

Report the correct codes for collections and workout activity through EDR within the first three business days of the month following the action taken. For a complete list of EDR codes and their definitions, refer to the [EDR Quick Reference Guide](#). The most common codes are listed below.

Report status codes each month until the status no longer applies and report event codes only one time.

Status Codes	
Code	Description
09 Forbearance	<p>Report code 09 when one of the following occurs:</p> <ul style="list-style-type: none"> ▪ The borrower is on a short-term, long-term, or unemployment forbearance plan. (For unemployment forbearance, report default reason code 016, Unemployment, with Code 09.) ▪ You have been barred from proceeding with foreclosure while a state agency reviews the loan for possible borrower assistance (generally a 60-day period). <p>Report the forbearance plan start date, or the date the state agency notified you to cease collections/foreclosure activities, each month while the status is relevant.</p>



Status Codes	
Code	Description
12 Repayment Plan	Report code 12 when you receive the initial repayment plan payment from the borrower. Report the date you received the initial repayment plan payment. <ul style="list-style-type: none">Report repayment plans regardless of whether the plan is in writing or an oral agreement.Repayment plans must be in accordance with the Guide or have prior approval from us.Do not report promises to pay as a repayment plan.
20 Reinstatement (full or partial)	Report code 20 to notify us of a partial reinstatement that moved a loan from foreclosure to delinquent status.

Event Codes	
Code	Description
AW Date of First Quality Right Party Contact with Delinquent Borrower	Report Code AW to notify us of the date of your first quality right party contact with the borrower. Report the date one time, in the month following when the event took place.
AX Date of Last Quality Right Party Contact with Delinquent Borrower	Report Code AX to notify us of the date of your last quality right party contact with the borrower. Report the date one time, in the month following when the event took place. If you work with the borrower for several months to attempt to resolve the delinquency, you will report code AX with the date of the last quality right party contact for each month you speak with the borrower.

Example:

The following example outlines how to report quality right party contact via EDR. It is important that you 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	
Subsequent Quality Right Party Contact on February 1, xxxx	Default action code AX (Date of Last Quality Right Party Contact) Default action code date of February 4, xxxx	Within the first three business days of March
Subsequent Quality Right Party Contact on 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

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. © 2025 Freddie Mac

[Freddie Mac Learning](#)