

A borrower must have one or more of the eligible hardships to be eligible for a workout option or certain relief options.

Ensure that your loss mitigation representatives have a copy of this quick reference and refer to the information for all Freddie Mac mortgages. Refer to *Single-Family Seller/Servicer Guide (Guide)* Section 9202.2 for additional information.

Eligible Hardships

The following are considered to be eligible hardships when evaluating a borrower for a workout option and certain relief options:

To document hardship, the borrower must:

- Sign and submit to you, a completed Form 710, *Mortgage Assistance Application*
- Provide to you, the applicable hardship documentation as outlined in the following table:

Hardship	Required Hardship Documentation
Unemployment	No hardship documentation is required.
Reduction in income: A hardship that has caused a decrease in the borrower's income due to circumstances outside the borrower's control (e.g., elimination of overtime, reduction in regular working hours, or a reduction in base pay)	No hardship documentation is required.
Increase in housing expenses: A hardship that has caused an increase in the borrower's housing expense due to circumstances outside the borrower's control (e.g., uninsured losses, increased property taxes, or an HOA special assessment)	No hardship documentation is required.
A natural or man-made disaster adversely impacting the property or the borrower's place of employment	No hardship documentation is required.
Long-term or permanent disability; serious illness of a borrower or co-borrower or dependent family member	A written statement from the borrower or other documentation verifying the disability or illness. Note: Detailed medical information is not required and information from a medical provider is not required.
Divorce or legal separation	<ul style="list-style-type: none"> ▪ Final divorce decree or final separation agreement, <u>or</u> ▪ Recorded quit claim deed
Separation of borrowers unrelated by marriage, civil union or similar domestic partnership under applicable law	<ul style="list-style-type: none"> ▪ Recorded quit claim deed, <u>or</u> ▪ Legally binding agreement evidencing that the non-occupying borrower or co-borrower has relinquished all rights to the property



Hardship	Required Hardship Documentation
Death of a borrower or death of either the primary or secondary wage earner in the household	<ul style="list-style-type: none"> ▪ Death certificate, <u>or</u> ▪ Obituary or newspaper article reporting the death
Distant employment transfer/Relocation (Transfer or relocation must be greater than 50 miles one-way from the borrower’s current primary residence.)	<p>For active duty service members:</p> <ul style="list-style-type: none"> ▪ Permanent Change of Station (PCS) orders, <u>or</u> ▪ Letter showing transfer <p>For employment transfers/relocation for new employment:</p> <ul style="list-style-type: none"> ▪ Copy of signed offer letter <u>or</u> notice from employer showing transfer to a new location, <u>or</u> notice from employer showing transfer to a new location, <u>or</u> written explanation if employer documentation is not applicable, <u>and</u> <p>Documentation that reflects the amount of any relocation assistance provided. (Not required for PCS orders.)</p>
Other – A hardship that is not specified above	A written explanation describing the details of the hardship and relevant documentation.

What is Not an Eligible Hardship?

Any other events or circumstances other than those listed above are not considered to be eligible hardships when evaluating a borrower for a workout option or certain relief options under the Guide.

For example, the following are not considered to be eligible hardships:

- Depreciation in the value of the property
- Temporary income interruption, but the borrower has liquid assets, or assets than can be liquidated, available to pay the mortgage
- Interest rate adjustment on an ARM or re-amortization of an interest-only mortgage upon expiration of the interest-only period

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