

Reimagine Servicing®: Resolve Workout Options API Guide

Resolve®

As part of [Reimagine Servicing](#)®, we're transforming loss mitigation with Resolve® – our new integrated default management tool that delivers rapid, rules-based workout decisions to Servicers.

As we build toward the full suite of functionality, you can connect to Resolve to use capabilities as they become available. Resolve will offer Business-to-Business (B2B) integration as well as direct access through a user interface.

Overview

The **Resolve Workout Options API** is an upfront eligibility check for multiple workout options in a single response. Currently, available workouts include Payment Deferral and Flex Modification. Future state capability of the API will return eligibility decisioning in order of the loss mitigation hierarchy.

With a single request, you will receive a response indicating eligibility decisions and messages, data points including pre-workout data and proposed post workout terms (depending on the decision). Pre-workout data and post workout terms are an indication only and are not the final terms until submitted for approval. Once you have determined to pursue a specific workout option with the borrower, submit the applicable API request (e.g., Resolve Retention API request) for Trial period approval, workout approval and settlement.

For each workout options request, you will receive a response with data points and error messages (if applicable). Some responses will require action on your part. If the loan is determined to be 'eligible' and the Servicer is pursuing a retention workout option with the borrower, refer to the [Resolve Retention API Reference Guide](#) to submit the workout request. If a loan is determined to be 'ineligible', you will be provided with ineligibility conditions and applicable messages.

Resolve APIs

Resolve leverages APIs for fast and efficient decisions from Freddie Mac.

What is Resolve Workout Options API?

The Resolve Workout Options API is a software intermediary that allows two applications to talk to each other. The API acts as the messenger – a Servicer's software sends a draft request ('DraftReq') to Resolve, and the API delivers the response back to the Servicer's software with eligibility decisions on workouts. The table below indicates the Workout Reporting Status submitted in the Servicer's API request and the status returned in Freddie Mac's API response to the Servicer.

Workout Reporting Status	Description
DraftReq	The workout reporting status of 'Draft Request' sent by the Servicer in the request API and also returned in the API response by Freddie Mac when one or more workout options is ineligible or undetermined.

- ✓ Produces a draft (i.e., preliminary) workout option(s) decision in near-real time, while providing transparency and simplicity throughout the process.
- ✓ Consumes key data points and provides workout decisions that enable the borrower to stay in their home.

Note: Although a Resolve Workout Options API request may indicate a workout option may be eligible, changes in data and/or timing of a Resolve Retention API Workout Request submission may result in a different response. Refer to the [Resolve Retention API Reference Guide](#) for more information.

How Does it Work?

Servicers request workout option decisions via B2B integration by accessing Resolve capabilities via API technology. Servicers provide minimal data points to receive real-time rules-based eligibility decisions for workouts without leaving their workflow technology.

The tables below outline the Workout Program Type and Workout Program Servicers will include in the API request and/or received in the API response.

Workout Program Type	Request/Response Schema
Workout Options	'workoutoptions'

Workout Program	Response Schema
Flex Modification	FLX
COVID-19 Flex Modification	FLXCV
Disaster Flex Modification	FLXD
Payment Deferral	PDM
COVID-19 Payment Deferral	PDMCV
Disaster Payment Deferral	PDMD

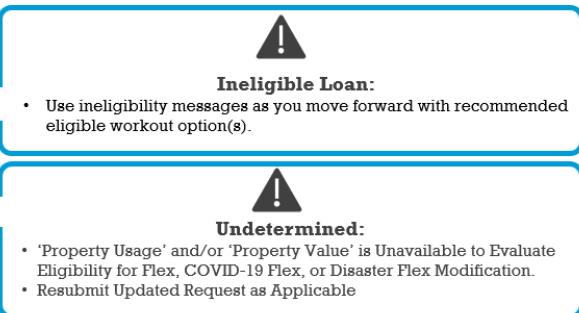
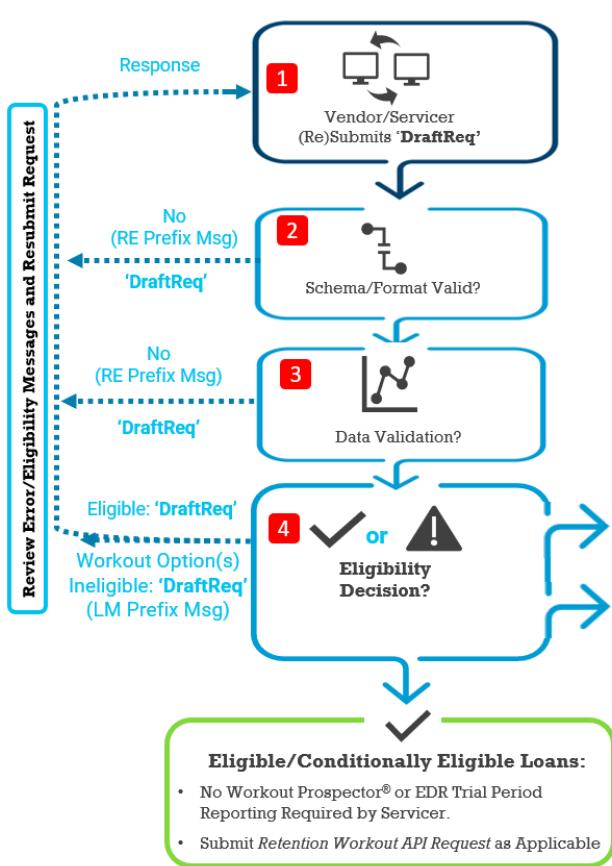
When the correct format and data are provided, Resolve Workout Options API will provide a 'draft' decision for six possible payment deferral and modification options. If one or more program options are ineligible, a status of 'DraftReq' (Draft Request) will be returned in the API Response. As a result, Servicers will have a preliminary decision on the option(s) that may be viable for the borrower.

If Servicers subsequently pursue one of the eligible workout options, then they will submit for next steps (Trial Period approvals/workout approvals) in the relevant Retention or Liquidation APIs.

What's Included in This Guide?

This guide provides a detailed process flow and step-by-step instructions for submitting a Resolve Workout Options API request. For each submitted request, a response is sent back to the Servicer through the API process. With each validation /eligibility check, validation error messages, if applicable, are included in the response to notify Servicers of warnings or fatal errors. In some instances, Freddie Mac will derive information based on data provided in the API request (e.g. Imminent Default determination). If the derived information conflicts with data provided in the API request, error message(s) will display in the response to the Servicer. Servicers are encouraged to use these and other messages to review the source record and resubmit the API request, as needed.

Workout Options Draft Request



Eligible/Conditionally Eligible Loans:

- No Workout Prospector® or EDR Trial Period Reporting Required by Servicer.
- Submit *Retention Workout API Request* as Applicable

Overview

When sending a Draft Request, the borrower is under consideration for a Payment Deferral or Flex Modification workout option; however, additional information may be needed and/or there may be an update in data and/or gap in time between consideration and actively pursuing a workout option with the borrower. This request can be leveraged as a 'test' to determine if the workout options are viable for a borrower. If the response indicates one or more options may be eligible, Servicers can subsequently submit a workout option request via the Resolve Retention API.

Refer to the process flow to see how the data flows from the API to Freddie Mac. For each validation/eligibility decision an 'If/Then' table outlines a 'Yes/No' validation or 'Eligible/Ineligible/Undetermined/Conditional' decision and a description of the Workout Options Request status returned to a Servicer in the response. In the process flow, if a validation or eligibility decision is successful, the flow proceeds vertically to the next step or decision.

An eligibility status of 'Undetermined' applies to Flex, COVID-19 Flex, and Disaster Flex modifications only. This status occurs when the 'Property Usage' (e.g., primary residence, second home, investment property, etc.) is not included in the API request or the 'Property Value' (e.g., automated value model (AVM) or Broker's Price Opinion (BPO) is not available.

An eligibility status of 'Conditional' (with the applicable 'LM' prefix 'Warning' message) is returned in the response to the Servicer indicating that the workout is conditionally eligible when any key data as indicated in the following table, is not provided in the API request.

API Data Field (JSON Label Name)	Business Name	Description	Value
'reinstatementViable'	Reinstatement Viable?	Indicates if reinstatement was a viable option for the Servicer.	Y or N
'repaymentWithActiveOffer'	Repayment With Active Offer?	Indicates if the mortgage is subject to an unexpired offer to the borrower for a repayment plan or the borrower has a repayment plan in progress.	Y or N
'willingToRetainProperty'	Willing To Retain Property?	Indicates whether the borrower is willing to retain the home.	Y or N
'hardshipResolved'	Hardship Resolved?	Indicates whether the borrower's hardship has been resolved.	Y or N
'ableToMakeContractualPayment'	Able To Make Contractual Payment?	Indicates if the borrower is able to continue making current contractual payments.	Y or N
'leaseholdPropertyTermsRemain'	Leasehold Terms Affected Due To Workout?	Indicates whether the term of the lease does not terminate earlier than five years after the maturity date of the proposed modified mortgage. This applies if the mortgage is secured by a leasehold estate.	Y or N
'disasterDeclarationDate'	Disaster Declaration Date	The date on which the disaster was declared by the government.	Date

Note: Pre- and Post-workout data is returned in the response to the Servicer where applicable.

If errors persist and/or the loan is ineligible, Servicers use ineligibility messages in moving forward with recommended workout option(s).

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The table below indicates workout option examples indicating conditions, request, and response statuses, as well as data provided where applicable.

Loan	Request		Response						
	Property Value	Workout Options Questions	Hardship	Workout Program Type	Eligible, Ineligible, Undetermined, Conditional, or Error	Workout Terms Provided	Pre-workout Data Provided		
1	Available	Provided	Divorce	FLX	Eligible	Post-workout Terms	Pre-workout Data		
				FLXCVD	Ineligible	N/A			
				FLXD	Ineligible	N/A			
				PDM	Eligible	Post-workout terms			
				PDMCVD	Ineligible	N/A			
				PDMD	Ineligible	N/A			
2	Available	Data Missing	National Emergency Declaration	FLX	Ineligible	N/A	Pre-workout Data		
				FLXCVD	Conditionally eligible	Post-workout terms			
				FLXD	Ineligible	N/A			
				PDM	Ineligible	N/A			
				PDMCVD	Eligible	Post-workout terms			
				PDMD	Ineligible	N/A			
3	Data/Schema Validation			FLX	Error	N/A	N/A		
				FLXCVD	Error	N/A			
				FLXD	Error	N/A			
				PDM	Error	N/A			
				PDMCVD	Error	N/A			
				PDMD	Error	N/A			

Pre-workout data is returned at the loan level, where applicable. For each loan, key data points according to Freddie Mac systems, are returned in the response to the Servicer. These reflect some of the data fields that would be prior to (pre-workout) settlement had this been a retention workout request. Refer to the *Resolve Workout Options Response Data Specification* for a full list of data returned in the response to the Servicer.

API Response Data Field (JSON Label Name)	Business Name	Description
'currentLoanInterestRate'	Pre-workout interest rate	The contractual interest rate on the loan at the time of workout eligibility determination.
'currentLoanGrossUPBAmount'	Pre-workout gross UPB amount	The unpaid principal balance on the loan at the time of workout eligibility determination.

API Response Data Field (JSON Label Name)	Business Name	Description
'currentInterestBearingUPBAmount'	Pre-workout interest bearing UPB amount	The interest bearing unpaid principal balance on the loan at the time of workout eligibility determination.
'currentLoanRemainingMaturityTermMonthsCount'	Pre-workout term	Pre-workout remaining term (in months) of the loan at the time of workout eligibility determination.
'currentPrincipalAndInterestPaymentAmount'	Pre-workout principal and interest payment amount	Monthly principal and interest payment (principal and interest constant) on a mortgage at the time of workout eligibility determination.

Post-workout terms are returned for each workout option program, where applicable. This provides some of the preliminary post-workout data fields for the Payment Deferral and/or modification programs based on the submitted request. The table below provides a list of each post-workout data field returned in the response to the Servicer. Refer to the *Resolve Workout Options Response Data Specification* in the Resources section of this guide for a full list of data and definitions for data returned in the response to the Servicer.

API Response Data Field (JSON Label Name)	Business Name	Description
'loanInterestRateAtModification'	Post workout loan rate	Post workout mortgage note/interest rate
'loanModificationMaturityTermCount'	Post workout term	Post workout amortization term (in months) of the loan.
'ltvRatioPercent'	Post workout MTMLTV	Post workout loan to value (LTV) ratio expressed as a rate that is adjusted for mark to market (MTM) analysis.
'loanPrincipalAndInterestPaymentAmountAtModification'	Post workout principal and interest	The monthly principal and interest amount as payable by the borrower based on the post workout terms of the loan.
'interestBearingUPBAmountAtModification'	Post workout Interest Bearing UPB	The post workout interest-bearing unpaid principal balance (UPB) amount.
'nonInterestBearingUPBAmountAtModification'	Post Workout Non-Interest-Bearing Amount	This is the portion of the gross UPB that is not amortized and will not produce interest, but still is part of the outstanding balance that the borrowers owe to Freddie Mac post workout.

API Response Data Field (JSON Label Name)	Business Name	Description
'loanGrossUPBAmountAtModification'	Post workout Gross UPB Amount	The post workout unpaid principal balance (sum of interest bearing and non-interest bearing UPB) dollar amount.
'MonthlyHousingExpenseToIncomeRatioAtModification'	Post workout Housing to Income ratio	Post workout ratio of the monthly housing debt payments of primary residence and total monthly income amount of the borrower. The monthly debt payments include principal, interest, taxes, insurance (except MI), association dues and any escrow shortage amount (PITIAS).
'totalMonthlyHousingExpenseAmountAtModification'	Post workout PITIAS	Post workout monthly sum of principal, interest, taxes, insurance except mortgage insurance (MI), association dues and any escrow shortage amount.

Complete the following steps to submit a Draft Request:

1. Servicer submits **DraftReq** (Draft Request).
2. Schema/Format Validation:

The request is first validated to ensure the correct schema and formatting requirements are met.

Note: There is no eligibility decision made at this step.

If...	Then...
Yes	Workout Reporting Status DraftReq (Draft Request) remains unchanged with no errors. Proceed to Data Validation
No	<ol style="list-style-type: none"> 1. Workout Reporting Status 'DraftReq' (Draft Request) and applicable error message (RE prefix) is returned in the response to the Servicer For example, 'Invalid Schema, Can't Read the JSON, Created Date and Time is Invalid, Invalid Format' etc. 2. Correct the source record and resubmit the request as applicable. 3. If errors persist, confirm requirements in the <i>Resolve Workout Options API - Request Data Specification</i>.

3. Data Validation:

If the request passes the schema/format validation, the data validation check is performed.

If...	Then...
Yes	<p>Proceed to Eligibility Decision</p> <p>Workout Reporting Status of 'DraftReq' (Draft Request)</p>
No	<p>1. Workout Reporting Status of 'DraftReq' (Draft Request) and applicable error message (RE prefix) is returned in the response to the Servicer. Examples include:</p> <ul style="list-style-type: none"> • 'Freddie Mac loan number does not belong to the Servicer', • 'Loan is an FHA/VA loan please submit for manual settlement', • 'Freddie Mac has initiated a drive-by BPO on this property. Please resubmit workout request after 5 business days.' <p>No pre-workout data is returned in the response to the Servicer.</p> <p>2. Correct the source record and resubmit the request as applicable.</p> <p>3. If errors persist, confirm requirements in the <i>Resolve Workout Options API - Request Data Specification</i>.</p>

4. Eligibility Decision

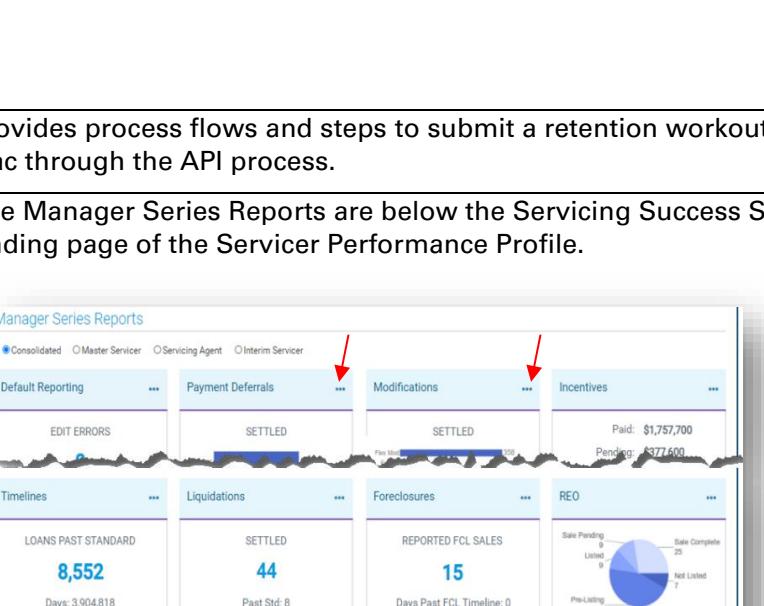
Once a request has passed the schema/format and data validation, rules are applied to render an eligibility decision.

If...	Then...
Eligible	<p>Workout Reporting Status of 'DraftReq' (Draft Request) is returned in the response to the Servicer.</p> <p>Pre-workout data and post-workout terms are returned in the response to the Servicer. Examples include:</p> <ul style="list-style-type: none"> • Property Value, • Post Workout Principal, and Interest Payment, • Post Workout Interest Bearing and Non-Interest-Bearing Unpaid Principal Balance (UPB), • Post Modification Gross UPB.
Ineligible	<p>1. Workout Reporting Status of 'Draft Req' (Draft Request) and applicable error (LM prefix) message is returned in the response to the Servicer.</p> <p>2. Correct the source record and resubmit the request as applicable.</p> <p>3. If errors persist, use ineligibility messages as you move forward with recommended eligible workout option(s).</p>
Conditionally Eligible	<p>1. Workout Reporting Status of 'Draft Req' (Draft Request) and applicable eligibility warning message (LM prefix) is returned in the response to the Servicer. One or more data points are not submitted, or unknown. For example: 'Willingness to retain the property?' has not been determined.</p> <p>2. If the missing or unknown data is subsequently determined, then resubmit the Workout Options API request with the updated data</p> <p>3. Pre-workout data and post-workout terms are returned in the response to the Servicer.</p>
Undetermined	<p>1. Workout Reporting Status of 'Draft Req' and applicable eligibility warning (LM prefix) message is returned in the response to the Servicer.</p>

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If...	Then...
	<p>This is applicable to Flex Modification, including Covid-19 and Disaster modifications, and indicates that Freddie Mac could not decision the workout option. The property value is unavailable (e.g., no automated valuation model (AVM) or Broker Price Opinion (BPO)).</p> <p>2. Resolve will order the BPO on the Servicer's behalf. An eligibility message instructs Servicers to allow five business days for the completion of the BPO. Servicers can then resubmit the Workout Options request.</p> <p>3. Pre-workout data is returned in the response to the Servicer; however, no post-workout terms can be determined and therefore, are not returned in the response to the Servicer.</p>

Refer to the table below for a list of additional resources.

Resource	Information Provided
Resolve Workout Options API -Request Data Specification	Provides a list of data points Servicers submit in the API request. Some data points are not required and may be left blank if not applicable.
Resolve Workout Options API - Request Validation Error Messages job aid.	Provides a list of detailed validation error message(s) (e.g., Invalid Schema, Can't Read the JSON, Created Date and Time is Invalid, Invalid Format, Missing/Conditionally Required Data Elements, etc.). Use this information to review and validate the source record data, and resubmit the request as needed.
Resolve Workout Options API - Response Data Specification	Provides a list of data points provided in the response to the Servicer.
Resolve Retention API Guide	Provides process flows and steps to submit a retention workout request to Freddie Mac through the API process.
Manager Series Reports via the Servicer Performance Profile in the Servicing Gateway to monitor the settlement status.	<p>The Manager Series Reports are below the Servicing Success Scorecard on the landing page of the Servicer Performance Profile.</p>  <p>The screenshot shows the Manager Series Reports interface. At the top, there are four tabs: 'Default Reporting' (selected), 'Payment Deferrals', 'Modifications', and 'Incentives'. Below these tabs are four main sections: 'EDIT ERRORS' (with a 'Timelines' sub-section showing 8,552 errors and 3,904,818 days), 'SETTLED' (with 'Liquidations' showing 44 settled cases and 8 days past standard), 'SETTLED' (with 'Foreclosures' showing 15 reported FCL sales and 0 days past FCL timeline), and 'REO' (with a pie chart showing 40 Pre-Listing, 25 Sale Complete, 19 Listed, 9 Sale Pending, and 7 Not Listed, and 40 Last Update: October 16, 2020).</p>

Resource	Information Provided
<u>Freddie Mac Servicer Success Scorecard Reference Guide</u>	Provides users with comprehensive requirement and measurements in multiple categories and assesses performance results in defined categories each month.
<u>Manager Series Reports Reference Guide</u>	A high-level summary and loan-level data to give you additional insight into the performance metrics of the Servicer Success Scorecard.

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