

Servicer Script for Homeowners with a Resolved COVID-19 Hardship

Notes to Servicer:

- Use this script for homeowners with a resolved hardship caused by COVID-19 who are exiting a forbearance plan or otherwise resolving a COVID-19-related delinquency.
- If the homeowner is on a forbearance plan unrelated to COVID-19, proceed with normal loss mitigation scripting.
- For complete information about Freddie Mac's COVID-19 policies please visit the Single-Family COVID-19 Resources [web page](#).

Good morning/afternoon, this is (_____) from <Servicer Name>. We understand this is a difficult time and appreciate you staying in contact with us.

- Tell me a little more about your current situation.

NOTE TO SERVICER: Confirm the COVID-19 related hardship is resolved before proceeding with this script.

- Ok, thank you for that. The good news is there may be multiple ways to resolve your delinquency and catch up on your missed payments.
- The amount you owe only includes the missed payments and escrow (if applicable), and any other delinquency-related amounts (if applicable). If you were on a forbearance plan, you were not charged any penalties or late fees during the forbearance plan.

NOTE TO SERVICER: Borrower may be eligible for assistance from the Homeowner Assistance Fund (HAF) program. Please discuss the following:

- I want to make sure you are aware there may be state and local government mortgage assistance fund programs to assist homeowners who have been impacted by COVID-19. You should contact your state or local government housing agency to review eligibility for the Homeowner Assistance Fund (HAF).

NOTE TO SERVICER: If possible, identify and share with the borrower state and local government mortgage assistance fund programs' contact information including contact information relating to the HAF program.

- To determine how best to resolve your missed payments, I'm going to ask a few questions.

NOTE TO SERVICER: Review current monthly mortgage payment as well as the amount owed.

Are you able to resume making your monthly payment and also repay the missed payments right away?

If the Homeowner answers "yes":

- Great. In that case we can offer you a full **reinstatement** of your loan, meaning you pay any missed payments and escrow (if applicable) and any other delinquency-related amounts that you owe (if applicable) to bring your loan to a current status and you can move on with your regular monthly payments.

NOTE TO SERVICER: The Servicer no longer needs to proceed with the remainder of the script.

If the Homeowner answers “no”:

- Thanks. You do not have to pay it all at once if you are not able to do so, and we can discuss other options that may be more affordable for you.

NOTE TO SERVICER: Proceed to the next question (**Repayment Plan**).

Would you be able to resume your monthly payment while also paying a little more each month to repay the missed amounts?

If the Homeowner answers “yes”:

- Great. We can set up a **repayment plan** that will allow you to bring your mortgage current without having to repay the missed amounts all at once. This option will let you repay the missed payments and escrow (if applicable) and any other delinquency-related amounts that you owe (if applicable) gradually by making additional monthly payments along with your regular monthly mortgage payments. With the repayment plan, we'll spread the repayment of your missed payments over a period of time.
- Does this feel like a more affordable option for you?

If the Homeowner answers “yes”:

- Great, let's discuss how a repayment plan might work for your situation.

NOTE TO SERVICER: The Servicer no longer needs to proceed with the remainder of the script.

If the Homeowner answers “no”:

NOTE TO SERVICER: Proceed to the next step (**COVID-19 Payment Deferral**).

Based on what you have told me, it sounds like you are able to resume making the same monthly principal and interest payment but are not able to pay any extra to catch up on the missed payments. We may be able to move, or defer, your past-due payments to the end of your loan term. Let me explain how that would work:

- A **COVID-19 Payment Deferral** is a great option specifically designed for homeowners with a resolved COVID-19 hardship. The COVID-19 Payment Deferral allows you to bring your mortgage current by deferring your missed principal and interest payments to the end of your loan term. This option keeps the principal and interest portion of your monthly mortgage payment the same.
- The principal and interest payments you missed (while you were in a COVID-19 related forbearance plan or if you weren't in a forbearance plan but your delinquency was a result of your financial hardship related to COVID-19) including any escrow advances made on your behalf for taxes and/or insurance will be added to the end of your loan term; and you will not pay any interest on the deferred amount.

- The deferred amount will be due on the last mortgage payment due date, so you will simply continue making your current payments; but the deferred amount will be due earlier if you sell your home, transfer the property, refinance your loan, or pay it off – just as the remaining amount due on a mortgage is handled in any of these transactions.

Does the COVID-19 Payment Deferral feel like an affordable plan for you?

If the Homeowner answers “yes”:

- Great, let’s discuss how the COVID-19 Payment Deferral might work for your situation.

NOTE TO SERVICER: The Servicer no longer needs to proceed with the remainder of the script.

If the Homeowner answers “no”:

NOTE TO SERVICER: Proceed to the next step (**Loan Modification**).

If your regular monthly payment is no longer affordable and you can’t catch up on your missed payments, there may still be options to help you. Homeowners with a long-term COVID-19 financial hardship may qualify for a loan modification.

- A **loan modification** might be a good option given your situation. Modifying the terms of your current loan could lower your monthly mortgage payment to a more affordable amount. Let me explain how it works and some key considerations:
 - With a loan modification, your past-due amounts are added to your loan balance, and the term of your loan will be extended to 40 years (or 480 months) from the date the modification becomes effective. In addition, your interest rate may be lowered and some of your loan balance may be deferred into a non-interest-bearing balance.
 - By modifying your loan your payment may be reduced. This will give you more of a cushion and create more affordability over the life of the loan. And, if your income situation allows, you can pay extra towards the payments to shorten that term.
 - Although a loan modification targets a payment reduction, you should also know that you may pay more total interest on the loan because you will be obligated to make payments for a longer period of time (40 years), unless you refinance or pay off the loan sooner.
- Additionally, a loan modification requires a trial period plan of three months (4 months if you are current on your loan) to make sure you can successfully manage the new monthly mortgage payment. You will be required to sign and return a loan modification agreement before the loan modification can become effective. **Does a loan modification sound like a better option for your situation?**

If the Homeowner answers “yes”:

- Great. Let’s move forward to make sure you qualify and review the details including your projected monthly payment and the modification process.

Summary

Thank you for working with us to understand your situation and find the best option for you based on your circumstances and the eligibility requirements for the various options.

- If you need additional assistance in thinking through your financial situation and budgeting, we want you to know that you can reach out to Freddie Mac's [Borrower Help Centers and Network](#). Our HUD-certified housing counselors can assist you if you are struggling to make your mortgage payments. They can be reached at 877-300-4179.
- Additionally, we encourage you to look at the Homeowner Assistance Fund (HAF) program, which has funds available for homeowners who have been impacted by COVID-19. This program is managed by state and local government housing finance agencies, who can assist you in determining your eligibility.

NOTE TO SERVICER: If possible, identify and share state and local government mortgage assistance fund program contact information, including contact information relating to the HAF program with the Borrower.

- Finally, if your financial situation changes after this call and you are no longer able to meet the requirements of an option we have discussed, please contact us immediately so we can discuss alternatives.
- Do you have any additional questions?