

Fraud Reporting – Process Overview and Tips

Public

March 2026

Purpose

This document provides Seller/Servicers with guidance on their responsibilities for identifying and reporting fraud, suspected fraud and suspicious activity to Freddie Mac related to mortgages sold to, or serviced for, Freddie Mac. This guide is designed to help Seller/Servicers understand when and how to report such activity to Freddie Mac, the importance of due diligence and some of the specific requirements outlined in the Freddie Mac *Single-Family Seller/Servicer Guide* (Guide).

The information and guidance provided constitute best practices. It is not a substitute or replacement for the requirements in the Guide. In providing this BPD, Freddie Mac is not conveying legal, regulatory, or compliance advice to any counterparty in receipt of the BPD, and no such advice shall be construed.

Freddie Mac shall not be liable for and does not accept any liability for errors, omissions, or any outcomes resulting from the use of or reliance on this BPD. For authoritative and up-to-date requirements, always refer to the Guide.

Background

Freddie Mac relies on Seller/Servicers to maintain the integrity of its mortgage portfolio by promptly detecting and reporting fraudulent or suspicious activities to Freddie Mac in accordance with the requirements of the Guide (particularly in Topics 3100, 3200, and 3600). These reporting requirements were established to protect the integrity of Freddie Mac's mortgage purchase and servicing functions and help safeguard the mortgage industry from financial crimes, ensure regulatory compliance and protect consumers. These requirements are supported by tools and processes such as the Tip Referral Tool (TRT[®]) and the Freddie Mac Exclusionary List ("Exclusionary List") screening. Understanding and adhering to these requirements is essential for maintaining trust and upholding Freddie Mac's standards for loan quality and risk management.

1. Due Diligence and Reporting Thresholds

Due Diligence: Always perform due diligence to establish a reasonable basis for reporting fraud or suspicious activity to Freddie Mac. Reporting is required only after this due diligence review.

Reasonable Basis Required: Report to Freddie Mac after performing due diligence and establishing a reasonable basis to believe fraud or suspicious activity is occurring or has occurred.

Date of Discovery: The date of discovery is when you complete your due diligence review and determine there is a reasonable basis to believe fraud, suspected fraud or suspicious activity is occurring or may have occurred.



Inconclusive Due Diligence: If due diligence is inconclusive but indicates suspected fraud or suspicious activity may have occurred, reporting is still required.

No Confirmation Required: You do not need to confirm fraud or suspicious activity before reporting to Freddie Mac. If you have a reasonable basis to believe fraud, suspected fraud or suspicious activity may have occurred in connection with a mortgage sold to or serviced for Freddie Mac, you must report it.

2. Suspicious Activity Reports (SARs) Filing Information

Do Not Disclose FinCEN Suspicious Activity Reports (SARs): Never disclose SARs, draft SARs or any documents or information indicating the existence of a SAR to Freddie Mac. This includes any documents or information where disclosure would otherwise be prohibited by law.

3. Fraud and Mortgage Eligibility

Report Regardless of Eligibility Impact: Report all fraud, suspected fraud and suspicious activity to Freddie Mac, even if it does not otherwise affect the eligibility of the mortgage sold to Freddie Mac.

Eligibility for Sale: Mortgages with any misrepresentation, misstatement or omission indicating fraud, suspected fraud or suspicious activity are not eligible for sale to Freddie Mac.

4. TRT and Investigation Outcomes

Updating Tips: If your investigation finds no fraud or suspicious activity has occurred after submitting a tip, update the tip with the outcome of your investigation and attach any relevant additional documents using the specific Tip Referral ID in the Tip Referral Dashboard.

5. Seller/Servicer Responsibilities

Both Sellers and Servicers Must Report: Reporting requirements apply to both Sellers and Servicers, as outlined in Guide Topic 3200.

6. Document Requests and Loan File Reviews

Responding to Requests: Freddie Mac may request loan files and other documentation in response to tips or for quality control purposes. Submit requested materials to Freddie Mac within the specified timeframe.

Remedial Actions: If discrepancies, defects or non-compliance are found for loan file reviews, Freddie Mac will communicate findings and may require explanations, corrections or remedial actions.

7. Investigation Results

Confidentiality of Investigation Results: Freddie Mac does not share the results of its investigations into fraud, suspected fraud or suspicious activity with Seller/Servicers.

8. Repurchase Consequences

Refer to Guide Section 3601.1: Delivering mortgages containing fraud, suspected fraud or suspicious activity to Freddie Mac can have repurchase implications. Refer to Guide Section [3601.1](#) for details.



Summary Checklist

- Perform due diligence to establish whether there is a reasonable basis that fraud, suspected fraud or suspicious activity is occurring or has occurred prior to reporting to Freddie Mac.
- Report all fraud, suspected fraud and suspicious activity to Freddie Mac regardless of eligibility impact.
- Do not disclose a SAR or documentation indicating the existence of a SAR to Freddie Mac.
- Update TRT entries as investigations progress.
- Respond promptly to Freddie Mac document requests.
- Screen and report Exclusionary List matches as required by the Guide.

Reference:

- [Freddie Mac Guide Glossary](#)
- Guide Sections [3101.1](#), [3201.1](#), [3201.2](#) and [3601.1](#)
- Freddie Mac Exclusionary List mailbox: EList_Confirmation@FreddieMac.com