



TO: Freddie Mac Sellers and ServicersSeptember 13, 2017 | 2017-19

SUBJECT: SELLING AND SERVICING REQUIREMENTS RELATED TO HURRICANE IRMA AND CERTAIN UPDATED REQUIREMENTS RELATED TO HURRICANE HARVEY

To ensure Borrowers continue to receive the assistance they need during this difficult time and to provide Sellers with underwriting guidance and flexibilities for impacted Mortgages to be sold to Freddie Mac, this Guide Bulletin announces temporary revisions to our selling and Servicing requirements for certain Mortgages secured by properties, or for Borrowers with places of employment (as applicable), in Eligible Disaster Areas as a result of Hurricane Irma. Additionally, we are updating certain selling and Servicing requirements previously announced in Bulletins 2017-14 and 2017-16 related to Hurricane Harvey.

As a reminder, Freddie Mac defines an Eligible Disaster Area as an area comprised of counties or municipalities that have been declared by the President of the United States to be a major disaster area where federal aid in the form of individual assistance is being made available.

The Guide will not be updated to include these temporary requirements. Seller/Servicers must retain a copy of this Bulletin to ensure compliance with these requirements.

EFFECTIVE DATE

All of the changes announced in this Bulletin are effective immediately unless otherwise noted.

TEMPORARY SELLING REQUIREMENTS

The temporary Selling requirements announced in this Bulletin apply to Mortgages secured by properties located in Eligible Disaster Areas impacted by Hurricane Irma.

Age of documentation requirements

The following age of documentation requirements apply to Mortgages secured by properties located in Eligible Disaster Areas affected by Hurricane Irma that have Application Received Dates on or before, and Note Dates after, September 10, 2017:

- Property valuation documentation, including the point value estimate from HVE® or the new appraisal, as applicable, must be dated no more than 180 days before the Note Date
- Any required underwriting documentation, including, but not limited to, Loan Product Advisor® Feedback Certificates, credit reports, verifications of income, employment and sources of funds, must be dated no more than 180 days before the Note Date

Note: Loan Product Advisor® will automatically pull a new credit report for Mortgages that are submitted or resubmitted to Loan Product Advisor 120 days or more after the date of the credit report. The most recent credit report must be used to analyze the Borrower's credit reputation and determine the Indicator Score, as applicable.

As a reminder, no more than 10 Business Days prior to the Note Date, the Seller must confirm a Borrower's employment by obtaining a 10-day pre-closing verification of employment in accordance with the requirements of Guide Section 5302.2, when applicable. For a self-employed Borrower, the Seller remains responsible for a verification of the current existence of the Borrower's business no more than 120 calendar days prior to the Note Date in accordance with the requirements of Section 5304.1(g).

For Mortgages that meet the requirements above, Sellers may use these temporary requirements in conjunction with their negotiated terms.

Special collateral requirements and guidance

In recognition of the complexity of originating Mortgages under these conditions, Freddie Mac is providing specific requirements and guidance related to Mortgages secured by properties located in Eligible Disaster Areas affected by Hurricane Irma and updated requirements relating to Hurricane Harvey.

Property damage – Hurricane Irma

As with any disaster, as specified in Section 5601.2(c), the Seller should take appropriate steps, including a property inspection, to determine if a Mortgage remains eligible for sale to Freddie Mac.

For Mortgages with Note Dates prior to September 10, 2017, but not yet sold to Freddie Mac, the Seller is responsible for determining whether the property was damaged by Hurricane Irma.

If the Seller determines that the property has been damaged such that the damage impacts the safety, soundness, or structural integrity, the property is not acceptable as security for the Mortgage and the Mortgage is not eligible to be sold to Freddie Mac.

For less severe damage, the Seller may sell the Mortgage to Freddie Mac if the Seller ensures the damage is covered by insurance as required in Guide Chapter 8202 and that the insurance is adequate to protect against future loss as specified in Section 5601.2(c).

For Mortgages in process as of September 10, 2017, Sellers must determine if the property is acceptable security for the Mortgage.

Property damage – Hurricane Harvey

We are clarifying that for Mortgages in process as of August 25, 2017, Sellers must determine if the property is acceptable security for the Mortgage.

All other property damage requirements provided in Bulletin 2017-16 remain unchanged.

Automated collateral evaluation (ACE) appraisal waivers

Sellers may not accept ACE appraisal waiver offers for properties located in zip codes affected by Hurricane Irma unless the related Mortgage has a Note Date prior to September 10, 2017 and the Seller has confirmed the condition of the Mortgaged Premises has not been adversely impacted by Hurricane Irma.

Loan Collateral Advisor® – collateral representation and warranty relief

For Mortgages with Note Dates prior to September 10, 2017 that are secured by properties located in zip codes affected by Hurricane Irma and that received collateral representation and warranty relief through Loan Collateral Advisor, the Seller must take appropriate steps to determine whether the property has been damaged by Hurricane Irma. Freddie Mac will continue to offer collateral representation and warranty relief if the Seller confirms and documents that the property has not been adversely impacted by Hurricane Irma and includes such documentation in the Mortgage file.

System updates

The Selling System® will be updated by October 2, 2017 to allow Feedback Certificates and/or appraisal reports dated more than 120 days before the Note Date.

On September 18, 2017, Loan Product Advisor and Loan Quality Advisor® will be updated so that Mortgages secured by properties in zip codes affected by Hurricane Irma will not receive ACE appraisal waiver eligibility. Mortgages in process prior to September 18, 2017 should be resubmitted to Loan Product Advisor to update the eligibility.

The Selling System, Loan Product Advisor and Loan Quality Advisor will also be updated on September 18, 2017 to indicate Mortgages secured by properties in the affected zip codes with Note Dates on or after September 10, 2017 are not eligible for collateral representation and warranty relief (through the ACE appraisal waiver or Loan Collateral Advisor). Sellers will be reminded by Selling System and/or Loan Quality Advisor messages of their obligation to ensure the property's condition has not been adversely impacted by the disaster.

Cash contracts

Sellers should contact the Cash Desk (571-382-5960 or cash_ex@freddiemac.com) if there are Mortgages in a contract that cannot be delivered prior to contract expiration because the property securing the Mortgage is in an Eligible Disaster Area affected by Hurricane Irma.

Reminders

Freddie Mac Relief Refinance MortgagesSM

Sellers are reminded that for Freddie Mac Relief Refinance MortgagesSM secured by properties affected by disasters:

- A Seller is not required to obtain a property inspection or new appraisal when a property valuation (either an HVE point value estimate or an appraisal) was relied on prior to a disaster, and
- A Seller can use an HVE point value estimate with a high or medium confidence score after a disaster without obtaining a property inspection or appraisal to determine property condition

This flexibility for Relief Refinance Mortgages does not impact Servicing requirements. Seller/Servicers must ensure that the Mortgaged Premises are covered by insurance meeting the requirements in Chapter 8202, and in accordance with the terms of the Security Instrument and applicable law. See Section 4302.2 for further information.

Hurricane Harvey

Except as stated above, all temporary requirements and effective dates announced in Bulletin 2017-16 related to Selling requirements for properties affected by Hurricane Harvey remain in effect as announced in that Bulletin.

TEMPORARY SERVICING REQUIREMENTS

Servicers must follow the requirements of Chapter 8404 when Servicing Mortgages for Borrowers whose Mortgaged Premises or places of employment are located in Eligible Disaster Areas, except to the extent the temporary requirements announced in this Bulletin and Bulletin 2017-14 supersede the Guide's requirements.

As we continue to leverage our own on-site visual assessments, damage reports from federal agencies and other resources, Freddie Mac may further refine its temporary disaster relief requirements to appropriately match the evolving needs of homeowners living or working in areas affected by Hurricane Harvey and Hurricane Irma.

Suspension of foreclosure sales

For Mortgages secured by properties located in Eligible Disaster Areas affected by Hurricane Harvey or Hurricane Irma, Freddie Mac is requiring Servicers to suspend all foreclosure sales beginning on the date that the Federal Emergency Management Agency (FEMA) declared the area to be an Eligible Disaster Area and lasting through **December 31, 2017**. However, if the Mortgaged Premises was identified as vacant or abandoned prior to either Hurricane Harvey or Hurricane Irma, and the Servicer has completed its property inspection and confirmed that there is no insurable damage or ability to receive FEMA funds on the Mortgaged Premises, the Servicer may choose to proceed with the foreclosure sale on that Mortgage prior to December 31, 2017.

Suspension of evictions

Freddie Mac is notifying counsel providing default related legal services to suspend all eviction activities as of the date of this Bulletin for Borrowers with Mortgaged Premises in locations designated as an Eligible Disaster Area as a result of Hurricane Harvey or Hurricane Irma. We will continue to assess the damage and will reevaluate our requirements as circumstances dictate.

Property inspections for properties located in an Eligible Disaster Area as a result of Hurricane Harvey or Hurricane Irma

As previously announced in Bulletin 2017-14, Freddie Mac is aware that Servicers may need to conduct a property inspection of the Mortgaged Premises in an Eligible Disaster Area to determine the impacts of the

damage. Although the inspection may not normally be reimbursable by Freddie Mac in accordance with the requirements in Sections 9202.12 and 9701.9, we are working to create a process for Servicers to seek reimbursement for the related inspection costs, and will announce this process in a future communication.

A Servicer must order or conduct an exterior property inspection on a Mortgaged Premises in an Eligible Disaster Area, except that a Servicer must order or conduct an interior property inspection if the Servicer (a) has reason to believe that a Borrower has abandoned the Mortgaged Premises in accordance with Section 9202.12, or (b) is ordering or conducting the property inspection in accordance with the insurance loss settlement requirements in Section 8202.11.

CONCLUSION

Freddie Mac is committed to ensuring that Borrowers receive the Mortgage assistance they need to mitigate the devastating impacts for Hurricane Harvey and Hurricane Irma. We appreciate the understanding and consideration that Freddie Mac Seller/Servicers have extended to Borrowers coping with Hurricane Harvey and Hurricane Irma-related hardships.

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call the Customer Support Contact Center at (800) FREDDIE.

Sincerely,



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