Fannie and Freddie Q&A and Guide Updates

**Freddie Mac Selling Guide Updates – Property Insurance Requirements**

Effective June 10, 2020, Freddie Mac will relocate property insurance requirements from Servicing Guide Chapter 8202 to an entirely new section, Chapter 4703, within the Selling Guide. By relocating the content, Freddie hopes to make it easier for Sellers to find the information. Freddie announced the requirements are not changing; however, minor updates were made for clarification purposes.

For example, Guide Section 4703.7, pertaining to localized perils changed as follows:

* Previous Guide Section 8202.10
	+ The Seller/Servicer must require the Borrower to obtain appropriate insurance coverage in accordance with the terms of the Security Instrument and applicable law for a property located in an area prone to localized perils such as sinkhole, mine subsidence, volcanic eruption and avalanche that are not covered by standard property insurance.
* New Guide Section 4703.7
	+ If the Seller/Servicer becomes aware of localized perils (i.e. sinkhole, mine subsidence, volcanic eruption, landslides) that are not covered by standard property insurance, then they must require the Borrower to obtain appropriate insurance coverage in accordance with the terms of the Security Instrument and applicable law.

For complete details, please review Bulletin 2020-20 and the associated downloadable spreadsheet referenced in the announcement.

**GSEs Update Servicing/COVID Q&As**

Fannie Mae and Freddie Mac have issued updated Q&A’s regarding mortgage servicing and COVID-19, incorporating recently issued guidance on property inspections, payment deferral, and other temporary relief that is now available.

Please use the following links to view the updates:

* Fannie Mae COVID-19 Frequently Asked Questions – Servicing
* Freddie Mac COVID-19 Frequently Asked Questions - Servicing

Proctor will continue to monitor these topics and provide updates as they occur.