

A repayment plan is an agreement between you and the borrower that gives the borrower a defined period of time to bring the mortgage current by paying regular monthly payments plus an additional agreed upon amount in repayment of the delinquency. A repayment plan may stand alone as a relief option, or be entered into in conjunction with a partial reinstatement.

This quick reference outlines Freddie Mac's requirements for establishing and reporting repayment plans as stand-alone relief options. For additional information on repayment plans, refer to *Single-Family Seller/Servicer Guide (Guide)* Sections 9203.8 through 9203.11.

If you have any questions about repayment plans, contact your Freddie Mac representative or Customer Support (800-FREDDIE).

Requirements for Repayment Plans

A repayment plan must:

- Lead to full reinstatement or payoff at the conclusion of the repayment plan
- Have a term greater than one month and equal to or less than 12 months, unless Freddie Mac approves a longer term in writing or as otherwise permitted in Section 9203.10 for repayment of delinquent taxes
- Be in writing, if the plan exceeds three months, and contain the following information:
 - Total amount to be repaid
 - Beginning and end dates of the repayment period
 - Exact amount of the repayment plan payment that will be added to the borrower's regular monthly payment
 - That the borrower must pay all scheduled monthly payments during the period of the repayment plan
 - That the borrower must continue monthly payments according to the terms of the Note at the end of the plan
 - That the borrower agrees that the foreclosure proceedings are suspended during the repayment plan and that you are entitled to recommence foreclosure at the point the foreclosure was suspended if applicable, if he or she defaults on the repayment plan

Guide Exhibit 93, *Evaluation Model Clauses*, includes a model repayment plan that you may use and amend as necessary to comply with the above requirements and applicable law.

- Be sent to the borrower
(The agreement does not have to be signed by the borrower or returned to you as a condition of the repayment plan. However, the borrower must make the first payment by its due date in order to accept the terms of the plan. The repayment plan agreement must contain a stipulation that entitles you to recommence foreclosure at the point the foreclosure was suspended if the borrower defaults on the repayment plan, unless inclusion of such a stipulation or commencement of foreclosure at the same point is prohibited by applicable law.)

The repayment plan may include any accrued late charges due from the borrower at the time you entered into the repayment plan with the borrower. However, if the borrower is paying as stipulated in the agreement, you must not accrue or collect late charges from the borrower during the repayment plan. If the borrower defaults on the terms of the repayment plan, late charge accrual may recommence from the date the borrower defaulted on the plan subject to applicable law.

You must also retain the following information as part of the mortgage record or file:

- The repayment plan (Do not send Freddie Mac a copy.)
- The terms of the repayment plan and the date you negotiated it with the borrower
- The date you sent it to the borrower, if the repayment plan exceeds three months
- The reason why you agreed to the repayment plan

If a borrower does not meet Freddie Mac's requirements for a repayment plan, but you believe a variation in the plan would result in the reinstatement of the mortgage, submit the proposed plan to Freddie Mac for approval. Complete Form 105, *Multipurpose Loan Servicing Transmittal*, and e-mail it to us at NPL_File_Prep@FreddieMac.com. You may also fax it to us at (571) 382-4914, Attention File Preparation.

Reporting Repayment Plans

1. Notify Freddie Mac of the repayment plan through Electronic Default Reporting (EDR) within the first three business days of the month following the month you received the initial repayment plan payment from the borrower.

Report the following through EDR:

- Default action code 12 (Repayment Plan)
- Date you received the initial repayment plan payment from the borrower.
- Due date of the last paid installment (DDLPI)

Occupancy status, property condition, and reason for default codes are also required if the loan is 90 days or more delinquent.

2. Continue to report default action code 12 (Repayment Plan), and the DDLPI through EDR each month until the mortgage is fully reinstated, paid off, a foreclosure sale is held, or a workout is completed.

Include the following in the EDR transmission:

- Default action code 12 (Repayment Plan)
- Date you received the initial repayment plan payment from the borrower
(This must be equal to the date you reported when you initially reported default action code 12 (Repayment Plan), in step 1.)
- DDLPI

3. Report default action code 20 (Reinstatement) in the last month of the repayment period, when the mortgage will be fully reinstated upon receipt of the final payment. Do not report default action code 12 in this last month.

Occupancy status, property condition, and reason for default codes are also required if the loan is 90 days or more delinquent. For additional information about EDR, refer to Guide Section 9102.7 and our [EDR Quick Reference Guide](#).

Reporting When the Borrower Defaults on the Repayment Plan

1. Notify Freddie Mac through EDR within the first three business days of the month following the month the borrower defaulted on the repayment plan.

Take the following actions when you report through EDR:

- Discontinue reporting default action code 12 (Repayment Plan).
- Report the appropriate default action code based on your actions taken since the borrower defaulted on the repayment plan.

2. Continue to report the appropriate default action code(s) through EDR each month until the mortgage is fully reinstated, paid off, a foreclosure sale is held or a workout is completed.

Compensation for Repayment Plans

Freddie Mac will pay you \$500 for one successful repayment plan per mortgage per 12-month period, when you meet the following conditions:

- The mortgage must have been 60 or more days delinquent at the time the borrower entered into the repayment plan.
- The borrower must completely reinstate or pay off the mortgage.
- You must have reported the repayment plan to Freddie Mac via Electronic Default Reporting (EDR) in accordance with Guide Section 9203.11.

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