



## Imminent Default Indicator

### A servicing tool that helps determine imminent default for HAMP modifications

Imminent Default Indicator™ is a servicing tool that helps Servicers determine if a borrower is in imminent default for the purpose of being evaluated for the Home Affordable Modification program (HAMP). Imminent Default Indicator is a statistical model that predicts the likelihood of default for borrowers who are current or less than 60 days delinquent.

#### › Servicer Benefits

Available on our Servicing Technology Tools Web page, Imminent Default Indicator:

- Provides a consistent and standard method to aid in evaluating borrowers for imminent default.
- Assists in performing due diligence to better assess a distinct borrower risk profile.
- Leverages local economic and current industry data in addition to Servicer-provided borrower data.
- Facilitates offering borrowers early solutions through HAMP.

#### › Borrower Benefits

When you utilize Imminent Default Indicator:

- Borrowers who are current, but who may be in imminent default, can be identified and may receive more timely assistance.
- All borrowers are evaluated in a consistent manner.

## WHAT YOU NEED TO KNOW ABOUT IMMIENT DEFAULT INDICATOR

<b>When to use Imminent Default Indicator</b>	Imminent Default Indicator must be used as part of any new imminent default evaluation conducted on or after <b>March 1, 2010</b> . Borrowers who are current or less than <b>60 days delinquent</b> that claim a HAMP hardship, and that otherwise appear to meet the eligibility criteria for HAMP pursuant to the <i>Single-Family Seller/Servicer Guide (Guide)</i> Chapter C65, must first be determined to be in imminent default before being considered for a HAMP Trial Period Plan. Once a Servicer has determined that a borrower's cash reserves are less than \$25,000, the Servicer must continue the imminent default evaluation using Imminent Default Indicator.
<b>Getting Started</b>	<ul style="list-style-type: none"><li>• Imminent Default Indicator is accessible from our Servicing Technology Tools Web page on FreddieMac.com. You can access the tool using your Workout Prospector® user ID and password.</li><li>• Information regarding the tool, including Imminent Default Indicator technical specifications, the <i>Imminent Default Indicator Users' Guide</i>, and <i>Imminent Default Indicator Frequently Asked Questions</i>, can be found on our HAMP Web page.</li><li>• Exhibit 90, <i>Imminent Default Indicator™ License Agreement</i>, was introduced in Guide Bulletin 2010-1, which was published on January 26, 2010. Servicers using Imminent Default Indicator are bound by all of the requirements of Exhibit 90.</li></ul>
<b>How it Works</b>	<p>Imminent Default Indicator uses statistical models and economic data in conjunction with specific data elements related to the borrower and the property submitted by the Servicer to help determine whether a borrower is in imminent default.</p> <p>Follow these three steps to obtain Imminent Default Indicator results:</p> <ul style="list-style-type: none"><li>• Prepare the input file for Imminent Default Indicator. The tool uses the loan data you provide in your file and current economic data to determine a result for each loan.</li><li>• Log in and upload the input file to Imminent Default Indicator.</li><li>• Download the output file, review the results, and resubmit if necessary.</li></ul> <p>Please reference the <i>Imminent Default Indicator Users' Guide</i> for more details on how to use Imminent Default Indicator.</p>
<b>Imminent Default Status</b>	Imminent Default Indicator is a statistical model that predicts the likelihood of default for borrowers who are current or less than 60 days delinquent with a Freddie Mac mortgage. However, the Servicer's determination of a borrower's imminent default status must be based on all applicable requirements specified in Guide Chapter C65 as amended by Bulletin 2010-1, which includes, but is not limited to, the use of Imminent Default Indicator.

### **Learn more about Imminent Default Indicator:**

- Call 800-FREDDIE.
- Contact a Freddie Mac servicing representative.
- Visit our HAMP Web page at [www.FreddieMac.com/singlefamily/service/mha\\_modification.html](http://www.FreddieMac.com/singlefamily/service/mha_modification.html).
- Additional information about the federal Making Home Affordable program can be found at [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov).

*\*Servicer understands that this document may not incorporate every requirement under, and is not to be relied on as a replacement or substitute for, the information contained in the Single-Family Seller/Servicer Guide (Guide) or Guide Bulletin. Servicer is responsible for complying with the requirements of the Guide and relevant Guide Bulletins(s), notwithstanding the extent to which they may be inconsistent with this document. Refer to Chapter C65 of the Guide, and Guide Bulletins 2009-26, 2009-28, 2010-1, and 2010-3.*