

## July 31, 2008 Guide Bulletin

### Exhibit A Temporary Requirements for Servicer Reimbursement of Certain Borrower Outreach Methods

#### Effective date: August 1, 2008 – March 31, 2009

Freddie Mac will reimburse Servicers for the Borrower outreach efforts of utilizing a door hanging service or door knocking service, in accordance with the criteria defined below. For the Servicer to be eligible for reimbursement of these expenses:

- The Mortgage must be at least 90 days delinquent and there must have been no prior Borrower contact; and
- The outreach activities must be performed by an independent third party vendor that is neither associated with the Servicer nor is an affiliate of the Servicer.

#### *Door hanging service*

The door hanging outreach effort must be performed by a vendor the Servicer hires for the purpose of leaving a flyer on a Borrower's door requesting that the Borrower contact the Servicer. Freddie Mac will reimburse the Servicer for the actual cost incurred up to a maximum of \$15 per Mortgage if the vendor was able to successfully leave the door hanger on the Borrower's door.

Freddie Mac's logo may not be used on this flyer or any other Borrower communications in connection with these services.

#### *Door knocking service*

The door knocking outreach effort must be performed by a vendor the Servicer hires for the purpose of visiting the Borrower's home to put the Borrower in contact with the Servicer. Freddie Mac will reimburse the Servicer for the actual cost incurred up to a maximum of \$50 per Mortgage if the door knocking results in the Borrower contacting the Servicer.

We will reimburse the Servicer for any additional fee it pays the vendor up to a maximum of \$200 per Mortgage for a door knocking that results in a successful alternative to foreclosure. For this purpose, each of the following activities is considered a successful alternative to foreclosure:

- Pay-off
- Full reinstatement
- Repayment plan where the Borrower has completely reinstated the Mortgage
- Loan modification that has settled and short sale/Make-whole preforeclosure sale that has settled

A workout that results in a deed-in-lieu of foreclosure or a chapter 13 bankruptcy repayment plan will not be eligible for reimbursement of this additional fee.

#### *Servicer reimbursement*

Each expense described above will be eligible for reimbursement only once over the life of the default. For the expense of a door hanging service, Freddie Mac will reimburse the Servicer regardless of whether the outreach effort resulted in Borrower contact or in a cure of the delinquency. However, in order for the Servicer to be reimbursed for the door knocking service, the effort *must* result in the Borrower contacting the Servicer. Additionally, if one outreach method does not result in the Borrower contacting the Servicer, the Servicer may be reimbursed for the expense of the other outreach method.

For example, if the Servicer first engages in a door hanging service, but the door hanging does not result in contact with the Borrower, the Servicer is eligible to be reimbursed for the door hanging. The Servicer may also be reimbursed for the cost of a subsequent door knocking service if it results in the Borrower contacting the Servicer. In order for the Servicer to be reimbursed up to a maximum of \$200 for the additional fee, the Servicer's records must reflect that the contact was made on or after the date the door knocking service was performed and that the Servicer entered into a successful alternative to foreclosure with the Borrower.

The Servicer must not pass any of the costs associated with these outreach methods on to the Borrower, including any amounts that exceed the reimbursable limits.

The Servicer must ensure and warrant to Freddie Mac that its vendor complies with all federal, State and local laws, including laws relating to debt collection, data privacy and the safeguarding of Borrower personal information. The Servicer must also represent and warrant that they had no contact with the Borrower prior to the door knocking or door hanging service being utilized.

#### *Timeline for Servicer Reimbursement*

Servicers must submit a request for reimbursement of the door hanging service and door knocking service expenses within 60 days of the date the service was performed.

The request for reimbursement of the additional fee for a successful alternative to foreclosure must be submitted in the month following the month in which the workout was settled, the Mortgage was fully reinstated or the Mortgage was paid in full, as applicable.

All requests for reimbursement under these temporary requirements must be submitted to Freddie Mac no later than May 29, 2009, except that for repayment plans entered into with the Borrower by March 31, 2009, Servicers must submit requests for reimbursement of the additional fee for a successful alternative to foreclosure within 60 days of the date the Mortgage fully reinstates or pays off.

#### *Reimbursement process*

In order to be reimbursed for these expenses, the Servicer must provide Freddie Mac with a spreadsheet that includes the list of Mortgages:

- For which door hanging and door knocking outreach activities were performed; and
- That qualified for the additional fee for door knocking that resulted in a successful alternative to foreclosure in the prior month (i.e. workout settled; Mortgage fully reinstated or paid off)

The spreadsheet must be submitted to the [overallowables@freddiemac.com](mailto:overallowables@freddiemac.com) mailbox and must include the following data in the order specified:

- Freddie Mac loan number
- Servicer's "Vendor ID" number
- Program No. (the program number for each of these expenses is P04)
- Contact name
- Reimbursement amount requested
- Date the service was performed
- Expense code
  - 090005 (Door hanging Service)
  - 090006 (Door knocking Service)
  - 090007 (Door knocking Resulting in Alternative to Foreclosure)

Servicers should contact our Foreclosure/Bankruptcy department via the [overallowables@freddiemac.com](mailto:overallowables@freddiemac.com) mailbox with any questions about the reimbursement process for these Borrower outreach expenses.

Freddie Mac may request supporting documentation for the expenses claimed either prior to reimbursement or as part of our post-reimbursement audit process. Additionally, Freddie Mac may instruct a Servicer to have its vendor(s) send copies of their invoices to us for our review.