

Bulletin

NUMBER: 2010-21

TO: Freddie Mac Servicers

September 13, 2010

SUBJECT: EXTENSION OF SETTLEMENT DEADLINE FOR FREDDIE MAC'S HAMP BACKUP MODIFICATION SOLUTION TO DECEMBER 1, 2010

In *Single-Family Seller/Servicer Guide* ("Guide") Bulletin 2010-11, we introduced the Freddie Mac HAMP Backup Modification ("HAMP Backup Modification"), an alternative solution to support Borrowers who were initially eligible for a Home Affordable Modification Program (HAMP) Trial Period Plan based on stated income but were subsequently determined to be ineligible for a HAMP modification. We also announced a Cap-to-Reinstate modification option for Borrowers ineligible for a HAMP Backup Modification.

In Bulletin 2010-14, we revised certain requirements for both modification options and extended the deadline by which HAMP Backup Modifications and Cap-to-Reinstate modifications must be settled. Under Bulletin 2010-14, HAMP Backup Modifications and Cap-to-Reinstate modifications must have had a first modified payment due date on or before **September 1, 2010**. As September 1 approached, we heard from many Servicers asking for more time to settle HAMP Backup Modifications, as they continue to be challenged with large pipelines. As a result, we have decided to further extend the deadline by which HAMP Backup Modifications must be settled.

Effective immediately, HAMP Backup Modifications must have a first modified payment due date on or before **December 1, 2010**. Similarly, Mortgages modified as a Cap-to-Reinstate modification pursuant to Bulletin 2010-11, because the Servicer determined that the Mortgage is not eligible for a HAMP Backup Modification, must also have a first modified payment due date on or before **December 1, 2010**.

If a Servicer has not yet solicited eligible Borrowers for a HAMP Backup Modification, they must do so as soon as possible in order to ensure they can comply with the deadline for completion set forth above.

Servicers must comply with all requirements of Bulletin 2010-11, as amended by Bulletin 2010-14 and this Bulletin.

REMINDERS

Submitting the modification to Freddie Mac

No later than the fourth Business Day of the month in which the first modified payment is due, Servicers must transmit the model in Workout Prospector® and submit to Freddie Mac a signed and dated copy of the completed Form 1128, *Loss Mitigation Transmittal Worksheet* ("LMTW"). When completing the LMTW:

- For HAMP Backup Modifications, Servicers must indicate in the Servicer Comments section of the LMTW that the modification is a HAMP Backup Modification and include the amount of the Borrower's verified income. (Refer to Bulletin 2010-11 for additional information on processing the HAMP Backup Modification in Workout Prospector.)
- For Cap-to-Reinstate modifications for Borrowers ineligible for a HAMP Backup Modification, Servicers must indicate in the Servicer Comments section of the LMTW that the modification is a

“HAMP Ineligible – Cap-to-Reinstate modification.” (The Servicer must have previously saved the Workout Prospector HAMP model in the applicable “Borrower Declined Terms/Ineligible” status.)

Reporting requirements

Servicers must continue to provide to Freddie Mac a report containing all Mortgages that were in an active HAMP Trial Period Plan with a Trial Period Plan Effective Date on or before **May 1, 2010**, which the Servicer determined to be ineligible for a HAMP modification, and is now considering for or has processed as a HAMP Backup Modification. The template for the report is available on our web site at http://www.freddie.mac.com/singlefamily/service/hampbackup_mod.html.

Servicers must submit this report to WKOUT_HAMP_RECON@freddiemac.com no later than the fourth Business Day of each month.

CONCLUSION

Freddie Mac remains focused on assisting troubled Borrowers with Freddie Mac-owned Mortgages to avoid preventable foreclosure. The changes announced in this Bulletin are part of our ongoing efforts to promote sustainable homeownership and stabilize communities and neighborhoods across the nation.

If you have any questions after reviewing this Bulletin, please contact your Freddie Mac representative or call (800) FREDDIE and select “Servicing” from the menu.

Sincerely,



Patricia J. McClung
Vice President
Offerings Management