

# Bulletin

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NUMBER: 2013-1

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TO: Freddie Mac Servicers

January 31, 2013

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**SUBJECT: FORECLOSURE SALE AND EVICTION CLOSEOUT MORATORIUM EXTENSION RELATED TO HURRICANE SANDY**

Since Hurricane Sandy struck the Northeast, Freddie Mac has been continuously providing relief and support to Borrowers and communities across the affected region. Freddie Mac staff are working on-site with hundreds of families at local Borrower outreach events and training housing counselors on Freddie Mac's disaster relief options for Borrowers. Freddie Mac has joined forces with local non-profit organizations and federal, State and local government task forces and commissions to expedite mortgage assistance and provide resources, including the short-term use of suitable Real Estate Owned (REO) homes as rental housing.

We appreciate the understanding and consideration that Freddie Mac Servicers have extended to Borrowers coping with Hurricane Sandy-related hardships. In order to help ensure Borrowers continue to receive the assistance they need during this difficult time, with this *Single-Family Seller/Servicer Guide* ("Guide") Bulletin, we are extending our existing foreclosure sale and eviction closeout moratoriums for Borrowers.

For the purpose of this Bulletin, "an eligible Disaster Area" is an area comprised of counties or municipalities that have been declared by the President of the United States to be Major Disaster Areas where federal aid in the form of individual assistance is being made available as a result of Hurricane Sandy. These areas are published by the Federal Emergency Management Agency (FEMA) on its web site at <http://www.fema.gov/disasters>. Servicers must continue to monitor the FEMA web site because new eligible Disaster Areas may continue to be identified as damage assessments and processing of requests for federal assistance are completed.

**EFFECTIVE DATE**

All of the changes announced in this Bulletin are effective immediately.

**EXTENSION OF TEMPORARY REQUIREMENTS TO ASSIST BORROWERS IMPACTED BY HURRICANE SANDY**

We are extending our existing foreclosure sale and eviction closeout moratoriums for Borrowers through **April 30, 2013**, subject to the requirements set forth below.

**Suspension of foreclosures**

For Borrowers whose place of employment or Mortgaged Premises is located in an eligible Disaster Area as a result of Hurricane Sandy, Freddie Mac is requiring Servicers to suspend all foreclosure sales through **April 30, 2013**. For these Mortgages, Servicers must adhere to the forbearance reporting requirements in Guide Section 68.6, *Reporting to Freddie Mac*.

## **Suspension of evictions**

Freddie Mac requires its Servicers and law firms to suspend eviction closings through **April 30, 2013** for Borrowers with Mortgaged Premises located in an eligible Disaster Area as a result of Hurricane Sandy. We will continue to assess the damage and will reevaluate our requirements as circumstances dictate.

## **REMINDERS TO SERVICERS**

Servicers are reminded that for properties located in an eligible Disaster Area, they must comply with the requirements set forth in Guide Chapter 68, *Servicing Mortgages Impacted by a Disaster*, unless such requirements are revised by this Bulletin. The requirements in Chapter 68 include, but are not limited to:

- Short-term suspension of collection activities and foreclosure proceedings for up to 12 months from the date a disaster strikes to help accommodate financial hardship, based on the relative merits of each case
- Neither assessing late charges nor reporting to credit repositories that the Borrower is on a forbearance plan or is paying as agreed on in a repayment plan
- Providing help with options for local, State or federal disaster assistance
- Monitoring and coordinating the insurance claim process

Seller/Servicers are further reminded that if a Borrower resides in an area devastated by Hurricane Sandy and requests help with his or her Mortgage payments, but the destruction is not severe enough for the President of the United States to issue a Major Disaster Declaration with federal Individual Assistance, Servicers should provide Mortgage relief using our standard Mortgage relief options, which are applicable to a wide variety of hardships, as described in Chapters A65, *Reinstatements and Relief Options*, B65, *Workout Options*, and C65, *Home Affordable Modification Program*.

Refer to Bulletins 2012-26 and 2012-29 for other temporary Servicing requirements related to Hurricane Sandy.

## **CONCLUSION**

We appreciate the efforts of our Servicers in providing relief to Borrowers who have been affected by Hurricane Sandy. The information provided by our Servicers and others in the industry is key to our efforts to provide the most effective solutions for Borrowers affected by the hurricane.

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call (800) FREDDIE and select "Servicing."

Sincerely,



Tracy Hagen Mooney  
Senior Vice President  
Single-Family Servicing and REO