



TO: Freddie Mac Sellers and Servicers

September 25, 2017 | 2017-21

SUBJECT: EXTENSION OF CERTAIN HURRICANE-RELATED REQUIREMENTS AND PROPERTY INSPECTION REIMBURSEMENT FOR ELIGIBLE DISASTER AREAS

This Guide Bulletin announces that our temporary selling and Servicing requirements related to Hurricane Harvey and Hurricane Irma in Bulletins 2017-14, 2017-16 and 2017-19 are extended to Mortgages and Borrowers whose Mortgaged Premises or places of employment are located in Eligible Disaster Areas impacted by all hurricanes on and after August 25, 2017 and through the 2017 hurricane season. However, the temporary suspension of foreclosure sales and evictions will only apply to Mortgaged Premises located in an Eligible Disaster Area as a result of Hurricane Harvey, Hurricane Irma and now Hurricane Maria.

In the event of another hurricane, all previously announced selling flexibilities will be available as of the date of the Federal Emergency Management Agency (FEMA) major disaster declaration in Eligible Disaster Areas without further instruction from Freddie Mac. Freddie Mac selling-related systems will be updated as soon as possible after the disaster.

We are also announcing details concerning property inspections and reporting requirements for Mortgages with properties in Eligible Disaster Areas.

TEMPORARY SELLING REQUIREMENTS

Property inspection fee reimbursement

Freddie Mac will reimburse Sellers through September 30, 2018 for property inspections completed prior to the sale or securitization of Mortgages secured by properties in Eligible Disaster Areas as a result of a 2017 hurricane:

- Freddie Mac will reimburse Sellers after the Mortgage has been sold or securitized
- The original appraisal must have been obtained prior to the area having been declared an Eligible Disaster Area
- Freddie Mac will reimburse Sellers for actual inspection costs not to exceed \$75 for an individual Mortgage
- The Seller must maintain copies of the inspection invoice(s) in the Mortgage file

More details regarding the reimbursement process will be posted on our [Natural Disaster Relief](#) web page. We will follow up with a Single-Family Update e-mail when additional information is available.

TEMPORARY SERVICING REQUIREMENTS FOR MORTGAGES IMPACTED BY HURRICANE MARIA

Suspension of foreclosure sales

For Mortgages secured by properties located in Eligible Disaster Areas affected by Hurricane Maria, Freddie Mac is requiring Servicers to suspend all foreclosure sales beginning on the date that FEMA declared the area to be an Eligible Disaster Area and lasting through December 31, 2017. However, if the Mortgaged Premises was identified as vacant or abandoned prior to Hurricane Maria, and the Servicer has completed its property inspection and confirmed that there is no insurable damage or ability to receive FEMA funds on the Mortgaged Premises, the Servicer may choose to proceed with the foreclosure sale on that Mortgage prior to December 31, 2017.

Suspension of evictions

Freddie Mac is notifying counsel providing default related legal services to suspend all eviction activities as of the date of this Bulletin for Borrowers with Mortgaged Premises in locations designated as an Eligible Disaster Area as a result of Hurricane Maria. We will continue to assess the damage and will reevaluate our requirements as circumstances dictate.

TEMPORARY SERVICING REQUIREMENTS FOR MORTGAGES IMPACTED BY AN ELIGIBLE DISASTER

Reimbursement process for property inspections of Mortgaged Premises in Eligible Disaster Areas

Effective for all property inspections conducted on and after August 29, 2017 of Mortgaged Premises in an Eligible Disaster Area

As announced in Bulletins 2017-14 and 2017-19, Freddie Mac is aware that Servicers may need to conduct a property inspection of a Mortgaged Premises in an Eligible Disaster Area that would not normally be reimbursable in accordance with Guide Sections 9202.12 and 9701.9.

As a result, we are announcing a temporary process for Servicers to seek reimbursement of the actual costs, subject to applicable expense limits, for exterior property inspections completed in accordance with Section 8404.2 and interior property inspections completed in accordance with Section 8202.11.

For exterior property inspections, Servicers must use expense code 404005 (Exterior Property Inspection) with an expense limit of \$15. For interior property inspections, Servicers must use expense code 404007 (Interior Property Inspection) with an expense limit of \$20.

However, if a Servicer already ordered or obtained a "FEMA inspection" where the cost exceeded the normal expense reimbursement amounts, Freddie Mac will reimburse those amounts if incurred prior to the date of this Bulletin.

Servicers may temporarily submit property inspection reimbursement requests once per month via an Excel® spreadsheet to NPL_Invoices@freddiemac.com. The e-mail subject line should reference "Disaster related property inspection reimbursement request," and the spreadsheet must include the following information for all Mortgages that a Servicer is seeking reimbursement for that month:

- Freddie Mac Loan Number
- Seller/Servicer Payee Code
- Expense Code
- Reimbursement request amount
- Property inspection expense date paid
- Vendor Name

A Servicer unsure of its Seller/Servicer Payee code should send an e-mail request to 104_Expense@freddiemac.com.

A property inspection completed on a Mortgage that was 60 or more days delinquent would already be required, and so is eligible for reimbursement in accordance with Sections 9202.12 and 9701.9. In this instance, Servicers must submit expense reimbursement requests in accordance with those Guide sections, and not through the temporary process described above.

EDR for Eligible Disasters

We remind Servicers to report:

- All Mortgages that are affected by an Eligible Disaster and are 31 or more days delinquent to Freddie Mac via EDR transmission within the first three Business Days of the month following the month the Servicer learned of the Eligible Disaster
- Default action code 09 (Forbearance) for each month while the disaster forbearance plan status is relevant
- Default action date (report the forbearance plan start date, which date may be prior to the Mortgage becoming 31 or more days delinquent)
- Default reason code 034 (Eligible Disaster Area) for Mortgages where the Borrower's Mortgaged Premises or place of employment is located in an Eligible Disaster Area
- Default action code AW to notify us of the date of the Servicer's first quality right party contact (QRPC) with the Borrower, which date must only be reported one time, in the month following the month when the event took place
- Default action code AX to notify us of the date of the Servicer's last QRPC with the Borrower, which date must only be reported one time, in the month following the month when the event took place

Servicers should review Guide Exhibit 82, *Electronic Default Reporting Transmission Code List*, and the [Electronic Default Reporting Quick Reference Guide](#) for details on EDR.

CONCLUSION

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call the Customer Support Contact Center at (800) FREDDIE.

Sincerely,



Christina K. Boyle
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Single-Family Sales and Relationship Management