



Freddie Mac Flex Modification

Fact Sheet

The Freddie Mac Flex Modification offers Servicers an easier, flexible way to help more borrowers qualify for a loan modification in a changing housing environment. This fact sheet provides a high-level overview of the Flex Modification, a single modification program that leverages lessons learned from the housing crisis. Please read *Single-Family Seller/Servicer Guide* (Guide) Bulletins [2016-22](#), [2017-1](#) and [2017-5](#) for complete requirements and visit our [Flex Modification web page](#) for modification information and reminders.

Program Highlights

The Flex Modification leverages the previously available Freddie Mac Standard and Streamlined Modifications. Highlights include:

- The Freddie Mac Flex Modification can be applied to all mortgage loan delinquencies, and to mortgage loans that are determined to be in imminent default in accordance with our Guide eligibility requirements and exclusions.
- The program will offer additional payment relief allowing forbearance of principal to an 80 percent mark-to-market loan-to-value ratio (MTMLTV) for eligible borrowers (not to exceed 30 percent of the unpaid principal balance) in two ways:
 - For borrowers less than 90 days delinquent, the program requires a complete loss mitigation application and targets a 20 percent payment reduction and 40 percent housing expense-to-income ratio.
 - For borrowers 90 or more days delinquent, the program targets a 20 percent payment reduction and requires no borrower documentation.

Evaluation Hierarchy

Prior to implementing the Flex Modification, Servicers must follow the existing loss mitigation evaluation hierarchy as described in Guide Section 9201.2.

What Servicers Need to Do

Review *Single-Family Seller/Servicer Guide* (Guide) [Bulletin 2016-22](#) [PDF], Guide [Bulletin 2017-1](#) [PDF] and Guide [Bulletin 2017-5](#) [PDF] requirements for the Flex Modification, including the eligibility requirements, modification terms, requirements for a streamlined offer for the Flex Modification, evaluation hierarchy, and processing and reporting requirements.

Please note that you're no longer able to evaluate borrowers for Freddie Mac Standard and Streamlined Modifications.

Now that we're past the October 1 mandatory evaluation date and you've begun evaluating borrowers for Flex Modification Trial Period Plans, keep in mind we offer training and resources to make your processes as smooth as possible going forward.

Training

- **Training** provides guidance and processing tips to help you successfully settle Flex Modifications. [Register now](#) for a Flex Modification webinar.
- **Workout Prospector**[®] allows you to submit data relating to Flex Modification Trial Period Plans. Please reference the [Workout Prospector Users' Guide](#) and [register now](#) for a Flex Modification processing tutorial.

Resources

- [Flex Modification FAQ](#) [PDF]
- [Flex Modification Fact Sheet](#) [PDF]
- [Freddie Mac Flex Modification term sheet](#) [PDF]
- [Flex Modification Reference Guide](#) [PDF]
- [Flex Modification Training Tutorial](#)