



# Freddie Mac Disaster Response

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# A *Better* Freddie Mac

...and a *better* housing finance system for:



## Families

Innovating to improve the liquidity, stability and affordability of mortgage markets



## Customers

Competing to earn your business



## Taxpayers

Reducing their exposure to mortgage risk

## Freddie Mac Disaster Policy goes into effect when:

A property located in a county, parish or municipality has been declared by the **President of the United States** to be a **Major Disaster Area** where federal aid in the form of **Individual Assistance** is being made available (Eligible Disaster Area).

To assist borrowers with Freddie Mac-owned mortgages who reside or work in the designated Eligible Disaster Areas, Servicers must:

Suspend mortgage payments for up to 12 months.

Waive assessments of new penalties or late fees during forbearance, trial and repayment plan periods.

Suspend reporting mortgage loan delinquencies to the nation's credit bureaus

Disburse insurance proceeds



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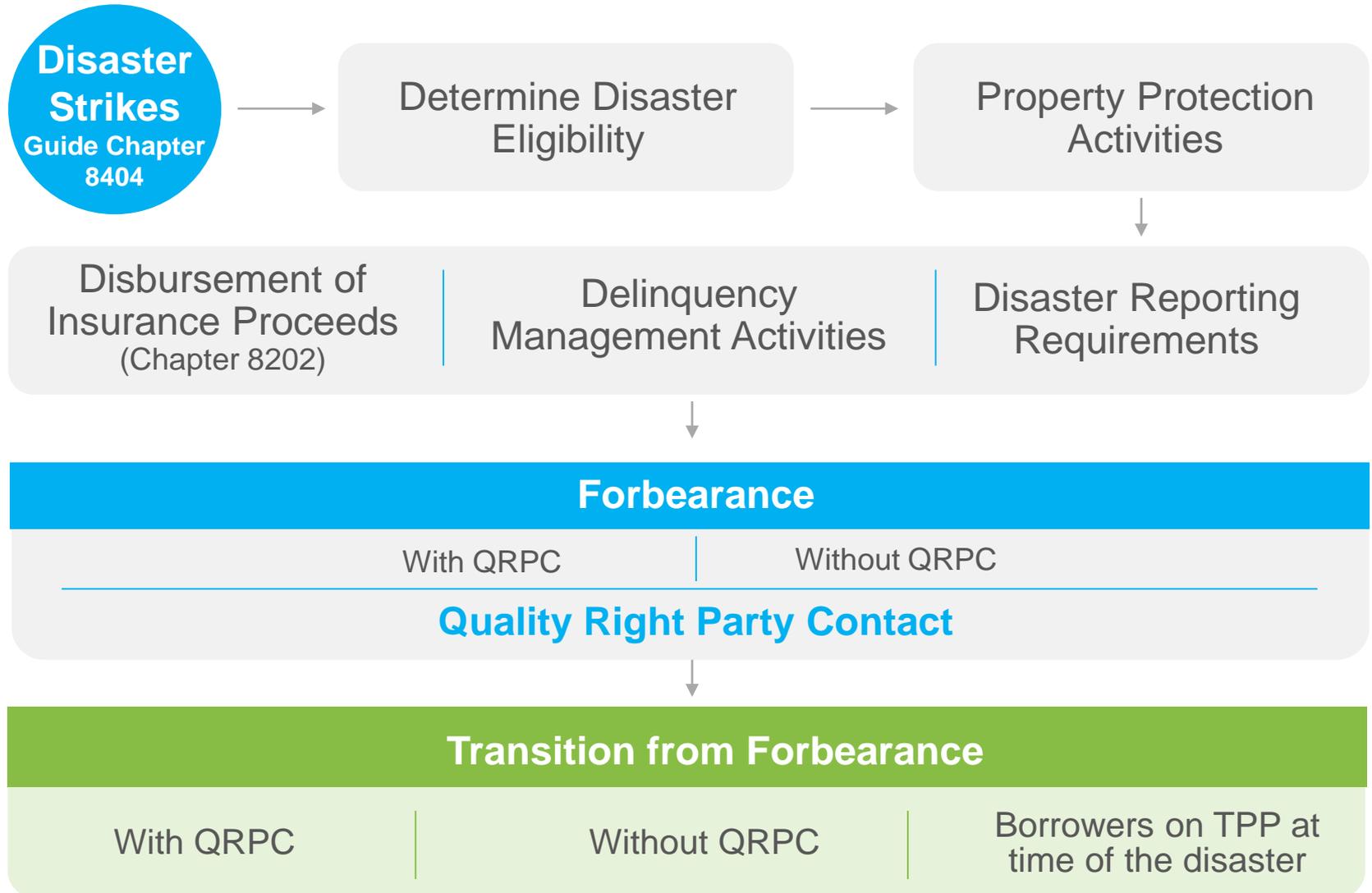
Provide transition assistance from the forbearance plan into an appropriate relief or workout option to cure the delinquency.

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Provide additional assistance for borrowers who were current or less than 31 days delinquent at the time of the disaster, such as the

- Capitalization and Extension Modification for Disaster Relief (“Disaster Relief Modification”) and
- special requirements for the Flex Modification.

# Disaster Policies Process Flow



# Modification Hierarchy

Loan was less than 31 days delinquent at the time of the disaster

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Servicer has established QRPC



## Extend Modification

Borrower resumes close to contractual payment

Advanced escrow and escrow shortage is spread over up to 60 months in a repayment plan

Term is only extended by number of payments missed

## Disaster Relief Modification

Borrower resumes contractual payment

Delinquencies (including escrow) are capitalized

Term is extended only enough to achieve equal to or just less than contractual payment

## Flex Modification

Targeting a payment reduction of 20% or greater

Delinquencies (including escrow) are capitalized

Term is extended to 480 months

May provide interest rate relief

May result in principal forbearance



## Temporary Suspension of Foreclosure Sales

Effective until **December 31, 2017** for  
borrowers impacted by **Hurricane  
Harvey** or **Hurricane Irma**

Effective until **May 31, 2018** for  
borrowers in **Puerto Rico** and the **US  
Virgin Islands** who have been impacted  
by **Hurricane Irma** or **Hurricane Maria**



## Temporary Suspension of Evictions

Effective until **December 31, 2017**



## Temporary Property Inspections Requirements



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Working hand in hand with  
our local servicers

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Freddie Mac participated in several  
HUD sponsored events:  
Barceloneta 3/8 | Fajardo 3/15 | San Juan 4/15

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Active forbearance plans are tapering  
off as the initial six month since the  
storms come to pass.

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As expected, repayment plans  
and loan modifications have  
increased

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- Capitalization and Extension Modification for Disaster Relief Modification Reference Guide  
[http://www.freddie.mac.com/learn/pdfs/service/disaster\\_mod.pdf](http://www.freddie.mac.com/learn/pdfs/service/disaster_mod.pdf)
- Natural Disaster Relief web page:
  - » [http://www.freddie.mac.com/singlefamily/service/natural\\_disasters.html](http://www.freddie.mac.com/singlefamily/service/natural_disasters.html)
    - Guide Bulletin 2017-14
    - Guide Bulletin 2017-19
    - Guide Bulletin 2017-21
    - Guide Bulletin 2017-25
    - Guide Bulletin 2017-29
    - Guide Bulletin 2018-4
- Managing Hazard Insurance Losses reference:
  - » <http://www.freddie.mac.com/learn/pdfs/service/mhil.pdf>