

Bulletin

To: Freddie Mac Servicers

October 11, 2023 | 2023-20

SUBJECT: SERVICING UPDATES

This Guide Bulletin announces:

- **Resolve®**
 - Additional functionality to allow Servicers to submit [charge-off recommendations through the Resolve user interface \(UI\)](#) – **October 30, 2023**
- **Firm Minimum Requirements**
 - Updates to [firm requirements to allow law firms greater flexibility](#) to operate in post-pandemic environments – **February 1, 2024**
- **Property valuations**
 - An update related to providing accurate and [complete information when obtaining a property value](#)
- **Payment Deferrals**
 - A clarification on loans receiving ineligible findings in [Resolve for the expanded Payment Deferral](#)
- **Privacy and data protection**
 - Updates to [data retention post-termination](#)
 - Updates to the requirements [for reporting Non-critical Privacy Events](#) to Freddie Mac

EFFECTIVE DATE

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

RESOLVE

Effective October 30, 2023, Servicers may begin using the Resolve user interface (UI) to submit charge-off recommendations

Beginning October 30, 2023, Resolve will be updated with additional functionality to allow Servicers to submit charge-off recommendations to Freddie Mac in the Resolve UI.

This new functionality streamlines the process and allows Servicers to upload their recommendation and documentation in Resolve, eliminating the need to send separate e-mails. Once Freddie Mac reviews the charge-off recommendation, its decision will be available in the Resolve UI.

When a charge-off is approved, the Servicer will need to report (within two Business Days) the payoff in loan-level reporting. Once the payoff is reported, if partial funds are received, or expected to be received, Resolve will automatically create the settlement request and complete the settlement process.

Servicers may register for the [Resolve: Submit and Manage Charge-off Requests webinar](#) and refer to [Resolve Online Help](#) for additional details on submitting charge-off recommendations in Resolve.

Guide impact: Section 9210.3



FIRM MINIMUM REQUIREMENTS

Effective February 1, 2024, but Servicers are encouraged to implement immediately if they are operationally able to do so

In alignment with Fannie Mae, we are updating the Firm Minimum Requirements (as defined in Section 9501.3) to allow law firms greater flexibility to operate in post-pandemic hybrid and remote work environments. Additionally, we are revising the qualifications and residency requirements for attorneys dedicated to the default Mortgage practice in each jurisdiction and removing the requirement for the law firm to have one or more lead attorney(s) for Freddie Mac matters.

Guide impacts: Sections 9501.3 through 9501.5, 9501.7, 9501.14 and 9501.15

PROPERTY VALUATIONS

Freddie Mac relies on the accuracy and completeness of all data and information Servicers submit through Freddie Mac systems. We have updated Section 2406.4 to state that Servicers are required to ensure that the information it provides for the purpose of obtaining a property value, including the address of the Mortgaged Premises, is true, complete and accurate.

Guide impact: Section 2406.4

PAYMENT DEFERRAL CLARIFICATION

Freddie Mac is providing an operational clarification regarding the Servicer's evaluation of a Payment Deferral using Resolve. Per Section 9203.14(b), Freddie Mac requires the Servicer to evaluate the Borrower for a proactive offer for a Payment Deferral if the Borrower's forbearance plan ends and the Servicer is unable to establish quality right party contact to evaluate for a post-forbearance solution to the Delinquency. In such instances, the Guide requires the Borrower to make their full monthly contractual payment during the month of solicitation and/or during a processing month if, as of the date of evaluation:

- The Mortgage is already 180 days delinquent, or
- The Payment Deferral would cause the Mortgage to exceed 12 months of cumulative deferred past-due principal and interest payments resulting from Payment Deferrals

In these circumstances, the Servicer must complete the Payment Deferral within the month of the solicitation or processing month after receipt of the Borrower's full monthly contractual payment due during that month. When processing these evaluations using Resolve, the Borrower is ineligible for a Payment Deferral until their payment is received. Therefore, despite Resolve flagging the Mortgage as ineligible while the current month's payment remains due because of delinquency and/or cumulative deferred payment requirements, the Servicer must send the proactive offer with the condition that a payment or payments are required to complete the Payment Deferral. Once the payment or payments have been received and the Mortgage becomes eligible, the Servicer must re-submit through Resolve to settle the Payment Deferral.

Similarly, when evaluating any Borrower who is ineligible because of delinquency and/or total cumulative payments deferred, the Servicer may still communicate to the Borrower that they may become eligible if a payment or payments are made to meet our requirements. Once the Borrower becomes eligible, the Servicer must re-submit in Resolve to settle the Payment Deferral.

Guide impacts: Sections 9203.14, 9203.20, 9203.23, 9203.24 and 9203.26

PRIVACY AND DATA PROTECTION

Data retention post-termination

In Bulletin 2023-19, we updated our requirements for Sellers/Servicers to continually maintain and protect customer data following the termination of their right to sell Mortgages to or service Mortgages for Freddie Mac. The changes include, but are not limited to:

- Seller/Servicers must comply with the requirements of applicable state privacy and consumer protection laws



- Servicers must maintain a response program and provide notice of a Security Incident or Privacy Incident (each as defined in Section 1302.2) pursuant to Section 1302.2
- Servicers must notify Freddie Mac as soon as possible, but no later than 48 hours after the Servicer concludes there has been unauthorized data acquisition or access
- Seller/Servicers agree to indemnify and hold Freddie Mac harmless from and against all claims, judgments, losses, costs and expenses incurred by Freddie Mac arising out of any Security Incident or Privacy Incident
- Servicers must securely store and retain such information in accordance with the standards set forth in Sections 1302.1 and 1302.2 and must comply with the notice requirements in the event of a Security Incident or Privacy Incident for as long as the Servicer retains possession of Mortgage files or Freddie Mac information, including following termination of the Seller/Servicer's right to sell Mortgages to or service Mortgages for Freddie Mac
- Servicers must contact Freddie Mac to inquire whether Freddie Mac will require the Servicer to return, transfer to another Servicer or destroy such files or information post termination

Guide impacts: Sections 1301.2, 1301.3, 1302.2 and 8101.8

Reporting Non-critical Privacy Events

Previously, Seller/Servicers were required to report Non-critical Privacy Events (as defined in Section 1302.2) to Freddie Mac on a quarterly basis using Guide Exhibit 130, *Non-critical Privacy Incident Reporting Template*, by the 15th day of each January, April, July and October. In Bulletin 2023-19, we updated Section 1302.2 to state that Seller/Servicers will be required to report such events using Exhibit 130 by the 5th day of each January, April, July and October.

Guide impact: Section 1302.2

GUIDE UPDATES SPREADSHEET

For a detailed list of the Guide updates associated with this Bulletin and the topics with which they correspond, access the Bulletin 2023-20 (Servicing) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddiemac.com/app/guide/bulletin/2023-20>.

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,

Bill Maguire
Vice President, Servicing Portfolio Management