

Industry Letter

TO: Freddie Mac Sellers and Servicers

March 17, 2022

SUBJECT: REPORTING SECURITY INCIDENTS AND BUSINESS CONTINUITY

The Cybersecurity and Infrastructure Security Agency and the Federal Bureau of Investigation recently issued a [joint Cybersecurity Advisory](#) due to matters related to the conflict in Ukraine. Seller/Servicers are encouraged to review, and have their Related Third Parties Review, the contents of the advisory and assess their respective environments for atypical channels for malware delivery and/or propagation through their systems, implement appropriate strategies and ensure robust contingency planning and preparation in the event of a cyberattack.

Given the current state of affairs, it is crucial that we maintain heightened awareness of potential security breaches. As a reminder, the Freddie Mac *Single-Family Seller/Servicer Guide* (Guide) requires that Seller/Servicers report any security incidents (including security incidents impacting their Related Third Parties) to Freddie Mac within 48 hours and have adequate business continuity provisions in the event of a systems outage. Our requirements for reporting security incidents and maintaining business continuity can be found in Guide Sections 1301.2 and 1302.1 through 1302.3.

Office of Foreign Assets Control (OFAC) screening

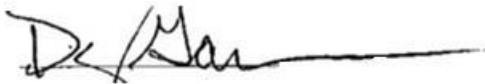
Additionally, and in conjunction with the Guide, Sellers must screen each Borrower against the OFAC's most recent list of Specially Designated Nationals and Blocked Persons ("OFAC SDN List") prior to delivery of the related Mortgage to Freddie Mac. See Section 1301.2.

Clients that service Mortgages for Freddie Mac must periodically screen the Mortgages against the OFAC SDN List. If a Servicer identifies that a valid Borrower on a Mortgage it services for Freddie Mac is a match against the OFAC SDN List, the Servicer is required to notify Freddie Mac by e-mail within 24 hours of identifying such a match. See Section 1301.2(b).

CONCLUSION

If you have any questions about the content of this Industry Letter, please contact your Freddie Mac representative or call the Customer Support Contact Center at 800-FREDDIE.

Sincerely,



Danny Gardner
Senior Vice President, Client and Community Engagement