

# Industry Letter

TO: Freddie Mac Sellers

June 2, 2022

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## SUBJECT: EQUIFAX® INC. CODING ERROR

We were recently informed by Equifax of a coding issue that may have resulted in errors to consumer Credit Scores and credit data reported by Equifax from March 17 to April 6, 2022. We were informed that this error may have impacted approximately 12% of credit reports issued during this period. Any lender that received credit report data directly from Equifax online or via a third-party consumer reporting agency/reseller over this period may be affected by this incident.

Sellers are reminded of their obligations under the Guide to ensure the accuracy of the credit data submitted to Loan Product Advisor® and delivered to Freddie Mac at the time of sale, and to provide any corrected information to Freddie Mac.

In light of this issue, Sellers should consult with their counsel in reference to updating credit reports. Sellers should also work with their consumer credit report provider and Equifax to identify the potential impacts of the coding issue on their originations and direct questions about the coding issue or its impacts to them.

The relevant provisions of the Guide are set out below.

### Accuracy of the delivered information

As stated in Guide Sections 1301.1 and 6301.7, the Seller warrants that all data and/or other information submitted to Freddie Mac are true, complete and accurate.

### Accuracy of information submitted in Loan Product Advisor

Because Loan Product Advisor is an automated system, it relies heavily on information from other sources. Consequently, accurate data is critical. The Risk Class and Documentation Level on the Last Feedback Certificate must be based on submission of accurate data to Loan Product Advisor. Therefore, for applications in process, the credit reports impacted by the coding error must be updated, and the Mortgage must be resubmitted to Loan Product Advisor in accordance with Section 5101.6. If the Mortgage cannot be resubmitted to Loan Product Advisor for any reason, it must be manually underwritten and is considered a Non-Loan Product Advisor Mortgage.

### Reporting requirement and data correction

Sellers are also reminded that if they become aware of findings that affect the eligibility of a Mortgage sold to Freddie Mac, the Seller must notify Freddie Mac quality control at [Seller\\_Servicer\\_QC\\_Reporting@Freddiemac.com](mailto:Seller_Servicer_QC_Reporting@Freddiemac.com). This includes a life-of-loan representation and warranty on data inaccuracies. Section 3402.10 outlines the requirements for self-reporting adverse findings.

Sellers must utilize the Freddie Mac Post-Fund Data Correction process to correct the Credit Score impacted by the coding error.

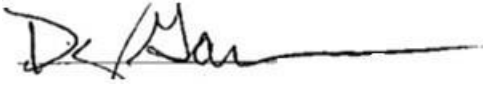
### Additional guidance

We will continue to monitor this situation and may issue additional guidance as we learn more about the impact of the Equifax coding issue on consumer Credit Scores.

## 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,

A handwritten signature in black ink, appearing to read "D. Gardner", with a long horizontal flourish extending to the right.

Danny Gardner  
Senior Vice President, Client and Community Engagement