



Freddie Mac Clarifies Treatment of Loans with Disaster Forbearance in PCs

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MCLEAN, VA--(Marketwired - Sep 5, 2017) - Freddie Mac (OTCQB: FMCC), in an ongoing effort to provide transparency to investors in light of Hurricane Harvey, is providing insight into Freddie Mac's disaster relief policies. On August 29, Freddie Mac announced that it had revised its disaster relief policies to authorize mortgage servicers to:

- Automatically suspend evictions and foreclosure sales for 90 days for borrowers with Freddie Mac owned or guaranteed mortgages whose homes are located in eligible disaster areas. Borrowers are encouraged to contact their servicers to discuss their situations. Freddie Mac's disaster policies enable servicers to extend forbearance and repayment plans for up to 12 months on a case-by-case basis without prior Freddie Mac approval for borrowers whose homes or places of employment are located in eligible disaster areas.
- Authorize servicers to verbally grant 90-day forbearances to all borrowers whose homes or places of employment are located in eligible disaster areas, including borrowers with mortgages that have been previously modified or are in a modification trial period plan.

With respect to its Mortgage Participation Certificates (PCs), notwithstanding Freddie Mac's general practice of repurchasing loans that are 120 or more days delinquent from related PCs, as long as an applicable mortgage loan is in forbearance under our disaster relief policies, Freddie Mac will not repurchase that loan from its related PC. However, depending on the servicing alternatives available to Freddie Mac and its servicers, the loan may be removed from the related PC. In certain instances, the loan may continue to be delinquent at the expiration of forbearance and consequently Freddie Mac may exercise its option to purchase the loan out of the related PC. In any event, if the applicable mortgage loan is in forbearance for 24 months, Freddie Mac will repurchase the loan from its related PC, unless the loan has been brought current or has commenced a repayment plan.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at FreddieMac.com, Twitter [@FreddieMac](https://twitter.com/FreddieMac) and Freddie Mac's blog FreddieMac.com/blog.

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