Freddie Mac Announces Temporary Purchase and Refinance Eligibility Requirements for Borrowers with Existing Mortgages

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Extends Requirements for Purchasing Mortgages in Forbearance

MCLEAN, Va., May 19, 2020 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) today announced temporary requirements and guidance that apply to borrowers who are currently in forbearance or recently ended their forbearance and wish to take advantage of low mortgage rates to purchase or refinance their home.

A borrower with outstanding mortgages, including mortgages in forbearance, may qualify for a new purchase or refinance mortgage that will be eligible for sale to Freddie Mac as long as they have continued to make timely payments on their outstanding mortgages. In addition, a purchase or refinance mortgage may be eligible if the borrower missed payments on the mortgage being refinanced or another outstanding mortgage, but subsequently reinstated the mortgage.

Additionally, temporary requirements allow homeowners who have missed mortgage payments and are approved for one of Freddie Mac's relief options, including the company's newly created COVID-19 Payment Deferral, to be eligible for a new refinance or purchase loan after making three timely payments.

"Freddie Mac continues to support lending during this unprecedented pandemic, while prudently managing risk and maintaining safety and soundness," said Donna Corley, executive vice president and head of Freddie Mac's Single-Family business. "These temporary purchase and refinance requirements provide borrowers with options during these difficult times."

On April 30, Freddie Mac's Primary Mortgage Market Survey® showed the 30-year fixed-rate mortgage average at 3.23%, which was the all-time low in its more than 50-year history. Rates have hovered around those lows in the weeks that have followed, standing this week at 3.28%

Freddie Mac is also extending its temporary requirements for purchasing mortgages in forbearance. Requirements are now effective for loans with note dates on or before June 30, 2020, if they are delivered by August 31, 2020.

While the temporary requirements announced today are effective for applications on or after June 2, 2020, Freddie Mac is encouraging lenders to use these same considerations for loans they are currently processing. The temporary requirements will remain in effect until further notice.

Since March 18, Freddie Mac has announced several actions to help struggling homeowners and support the home purchase market. They include:

- Suspending single family foreclosure sales and evictions until June 30, 2020
- Increasing flexibility in employment verification requirements and leveraging appraisal alternatives
- Temporarily purchasing loans where the borrower has requested forbearance.
- Announcing a Payment Deferral solution, which adds up to 12 months of missed payments to the end of the mortgage term.

Homeowners and renters looking for additional resources can visit MyHome® by Freddie Mac. Homeowners can use the secure Freddie Mac Loan Look-Up Tool to quickly find out if the company owns their loan and renters can identify if they are protected by the COVID-19 eviction moratorium.

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, and Freddie Mac's blog FreddieMac.com/blog.

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