Freddie Mac Multifamily Extends COVID-19 Forbearance Program to September 30

June 3, 2021

MCLEAN, Va., June 03, 2021 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) Multifamily has extended to September 30, 2021 the deadline for requesting a new COVID-19 forbearance agreement for its Multifamily loans. The program was previously set to terminate June 30, 2021. The extension provides additional time for multifamily operators experiencing hardship as a result of the pandemic to request a new forbearance agreement, which includes renter protections such as a moratorium on evictions for non-payment of rent. Borrowers continuing to experience hardship may also request additional relief at the end of the initial forbearance period.

“The extension of our forbearance program reflects Freddie Mac’s commitment to providing support to the multifamily market and renters who have been financially impacted by the pandemic,” said Debby Jenkins, head of Multifamily at Freddie Mac. “Allowing borrowers additional time to request forbearance and ensuring tenant protections are in place in those properties is just one of the ways that Freddie Mac has continued to stabilize the Multifamily market since first implementing this COVID-19 forbearance program in March of last year.”

Borrowers who enter into a new forbearance arrangement with Freddie Mac must notify renters of all tenant protections, including:

- Renters may not be evicted or given notice of eviction for nonpayment of rent during the forbearance period.
- Renters may not be charged late fees, penalties or other charges related to nonpayment of rent during the forbearance period or the repayment period as well.
- Although rental payments will continue to be due and will accrue, renters in properties with forbearance agreements must be provided flexibility in repayment of back rent, allowing for it to be paid over a period of time and not in a lump sum.
- Renters in properties with forbearance agreements in place must be provided 30-days’ notice prior to any eviction taking place during the forbearance repayment period.
- Renters need not show COVID-19 related hardship to be eligible for any of the protections listed above.

Freddie Mac established its COVID-19 Forbearance Relief program to aid multifamily borrowers and tenants affected by the coronavirus. Under the program, multifamily landlords whose properties are financed with a Freddie Mac Multifamily fully performing loan can defer their loan payments by showing hardship as a consequence of COVID-19 and by gaining lender approval.

As of Freddie Mac’s most recent report, there are 1,154 forborne securitized loans, representing about 2.1% of our total securitized unpaid principal balance. For those whose forbearance has ended, more than 82% by loan count are currently making payments or have fully repaid their forborne payments. Requests for new or additional forbearance have dropped to just a handful in recent months.

As a secondary mortgage market participant, Freddie Mac does not have a direct relationship with multifamily borrowers or renters, but it has established several tools to aid borrowers and renters throughout the pandemic. A first-of-its-kind loan lookup tool was designed to help renters understand whether they reside in a multifamily property that has a loan purchased or securitized by Freddie Mac. Freddie Mac also established a hotline staffed by HUD-certified counselors for renters facing financial distress as a result of the pandemic. Those resources are available at http://myhome.freddiemac.com.

Freddie Mac Multifamily is the nation's multifamily housing finance leader. Historically, more than 90% of the eligible rental units we fund are affordable to families with low-to-moderate incomes earning up to 120% of area median income. Freddie Mac securitizes about 90% of the multifamily loans it purchases, thus transferring the majority of the expected credit risk from taxpayers to private investors.

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.

MEDIA CONTACT: Mike Morosi
(703) 918-5851
Michael_Morosi@FreddieMac.com