

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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20W-066

Attention: AEs, Business Development Managers & Mortgage Brokers

May 7, 2020

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: **Freddie Mac 2020-14 – Updated Guidance Related to COVID-19**

Extension of Temporary Changes from Previous Bulletins

Freddie Mac is extending the temporary requirements and flexibilities that were effective for Mortgages with Application Received Dates through May 17, 2020 to Mortgages with Application Received Dates through June 30, 2020 for the following:

- Credit underwriting requirements announced in Freddie Mac Bulletins 2020-5 and 2020-8
- Appraisal flexibilities announced in Bulletins 2020-5 and 2020-11
- Condominium Project flexibilities announced in Bulletin 2020-11
- Power of Attorney flexibilities announced in Bulletin 2020-8

Furloughs and Layoffs

Freddie Mac temporary leave requirements do not extend to employer initiated actions such as furloughs and layoffs, regardless of whether there is a projected “return to work” date.

Unemployment Compensation

While many individuals have become eligible for assistance and compensation available through the Unemployment Insurance Provisions provided in the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the assistance and compensation are temporary in nature and **therefore do not represent a stable or continuous source of income.**

As such, unemployment compensation continues to be eligible for use in qualifying **only** when it is associated with seasonal employment and all other requirements (Section 5303.3 Freddie Mac Selling Guide) are met.

Loan Product Advisor update to identify Freddie Mac owned Mortgages

As announced in Freddie Mac Bulletin 2020-11, Loan Product Advisor has been enhanced to assist with identifying if a Mortgage being refinanced is owned by Freddie Mac, effective for submission to Loan Product Advisor on and after April 27, 2020. This enhancement supports Freddie Mac’s COVID-19 related appraisal flexibilities for Freddie Mac owned “no cash out” refinance Mortgages

announced in Freddie Mac's Bulletin 2020-5. If a match is found based on property address and the Social Security number of one or more Borrowers on an existing loan, then informational feedback messages will be returned on both submissions and resubmissions indicating the Mortgage is Freddie Mac owned.

If you have any questions, contact your local Account Executive, or Production Coordinator.

Author: Underwriting