

Bulletin

TO: Freddie Mac Servicers

April 9, 2025 | 2025-5

SUBJECT: SERVICING UPDATES

This Guide Bulletin announces:

- **State foreclosure timelines**
 - Changes to [State foreclosure timelines and allowable delays – July 1, 2025](#)
- **Freddie Mac Flex Modification®**
 - Added specificity to current [Freddie Mac Flex Modification terms](#)
- **Reporting and remittance requirements for short-payoffs**
 - Updates to Servicer instructions for the [short-payoff process](#)
- **Additional Guide updates**
 - Further updates as described in the [Additional Guide updates](#) section of this Bulletin

EFFECTIVE DATE

All of the changes announced in this Bulletin are effective immediately unless otherwise noted.

STATE FORECLOSURE TIMELINE AND ALLOWABLE DELAYS

Effective for foreclosure sales completed on or after July 1, 2025

At the direction of FHFA and in coordination with Fannie Mae, we are updating our State foreclosure timeline standards and allowable delays.

Servicers should review Guide Exhibit 83, *Freddie Mac State Foreclosure Timelines*, in its entirety for the revised timelines.

We are updating Exhibit 83A, *Determining State Foreclosure Timeline Performance Compensatory Fees*, to:

- Add the following allowable delays:
 - Forbearance
 - COVID-19 Foreclosure Moratorium
- Remove the following allowable delays:
 - Home Affordable Modification Program® (HAMP®) in Review
 - HAMP Trial Plan
 - Unemployment Forbearance
 - Alternative (Streamlined) Modification Trial Period Plan

Servicers should review Exhibit 83A in its entirety for new and revised foreclosure allowable delays.

Additionally, we have updated certain foreclosure management training resources. Servicers should refer to [Default Fee Appeals Online Help](#) for details on submitting appeals for foreclosure-related compensatory fees.

Guide impacts: Exhibits 83 and 83A



CALCULATING REMAINING MORTGAGE TERM WITH FREDDIE MAC FLEX MODIFICATION

In Bulletin 2024-E, we announced enhancements to the Freddie Mac Flex Modification. In response to Servicer inquiries, we are now specifying that when determining the Freddie Mac Flex Modification terms, the Mortgage term is the remaining amortization term (the number of monthly payments remaining until the UPB is satisfied) and not the number of months until the maturity date.

The remaining Mortgage term and the number of months to maturity are usually the same. They may differ in certain cases, primarily when a Borrower has previously made partial prepayments of principal, which would shorten the amortization term. Therefore, it is possible that a Mortgage's post-modification maturity date may be earlier than its pre-modification maturity date. In such cases, the remaining Mortgage term must be calculated using the pre-modification interest-bearing UPB and the pre-modification principal and interest payment amount. In addition to this update, Guide Section 9206.10 has been refactored.

Guide impact: Section 9206.10

REPORTING AND REMITTANCE REQUIREMENTS FOR SHORT-PAYOFFS

Servicers must recommend a charge-off when a short-payoff has been approved by Freddie Mac. Short-payoffs are reported as "Short Sale/Charge-off/Make-whole" in the Loan Level Reporting tool (see Exhibit 88, *Servicing Tools*). To address timing-related challenges associated with the processing of short-payoffs, we have updated our charge-off reporting requirements to specify that when a Servicer anticipates receiving funds, they may report the charge-off no later than the second Business Day following receipt of funds and submit any proceeds received to Freddie Mac no later than the third Business Day after successfully reporting the charge-off in the Loan Level Reporting tool. In addition to this update, Section 9210.5 has been refactored.

Guide impacts: Sections 8303.13 and 9210.5

ADDITIONAL GUIDE UPDATES

Payment Deferral reporting requirements

Through our commitment to Servicing Excellence, we continue to innovate and evolve our technology platforms to help Servicers streamline their operations. To this end, Resolve® will now automatically report Status Code H6 (Payment Deferral Offer) to EDR. With this Guide update, Servicers are no longer required to report Status Code H6 in connection with a Payment Deferral (as defined in Section 9203.18). In addition to this update, Sections 9203.26, 9206.13 and 9206.16 have been refactored.

Guide impacts: Sections 9203.26, 9206.13 and 9206.16

Amending language in Section 2404.2

We have updated the language in Section 2404.2 to clarify that Servicers represent and warrant that they will only access and use a Freddie Mac System (as defined in Section 2401.1(b)) in connection with Mortgages owned or guaranteed by Freddie Mac. The update will remove similar language speaking only to Servicing Data Corrections in Section 2404.2(b), thereby removing any potential confusion that this requirement only speaks to Servicing Data Corrections and not all Servicing Tools.

Guide impact: Section 2404.2

Portfolio reconciliation training resource

Effective June 1, 2025

In Bulletin 2025-2, we announced a new requirement for Servicers to reconcile internal records against Freddie Mac investor reporting system records on a monthly basis. To support Servicers with the completion of Form 75, *Reconciliation*



of *Mortgage Portfolio*, we have published a new training resource, [Form 75 Reconciliation for Mortgage Portfolio Tutorial](#), that can be found on the [Investor Accounting Training webpage](#).

Guide impact: Section 8303.5

GUIDE UPDATES SPREADSHEET

For a detailed list of the Guide updates associated with this Bulletin and the topics with which they correspond, access the Bulletin 2025-5 (Servicing) Guide Updates Spreadsheet via the Download drop-down available at <https://guide.freddiemac.com/app/guide/bulletin/2025-5>.

CONCLUSION

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call the Customer Support Contact Center at 800-FREDDIE.

Sincerely,

Mike Reynolds

Senior Vice President, Head of Servicing