

# Bulletin

TO: Freddie Mac Sellers and Servicers

October 1, 2025 | 2025-E

## SUBJECT: GUIDANCE RELATED TO THE FEDERAL GOVERNMENT SHUTDOWN

This Guide Bulletin provides temporary Seller/Servicer guidance to assist Borrowers who have been impacted by the federal government shutdown (“shutdown”) that began on October 1, 2025.

### EFFECTIVE DATE

The guidance announced in this Bulletin is effective immediately, unless otherwise noted. It will automatically terminate once the federal government resumes full operations.

Freddie Mac will continue to monitor the situation and may revise or revoke this temporary guidance if the shutdown extends for a prolonged period.

### SELLER GUIDANCE

We are providing the following temporary guidance related to the Selling requirements that may be impacted by the shutdown. The flexibilities outlined below apply only when the Seller is unable to comply with the impacted Guide requirements due to the shutdown.

#### Interruption in pay

Mortgages made to government employees and other workers directly impacted by the shutdown (i.e., impacted Borrowers) are eligible for sale to Freddie Mac, even if the Borrower is not receiving pay (e.g., the Borrower is on furlough or is exempt from the furlough status but is experiencing an interruption in pay due to the shutdown), provided that all requirements of the Seller’s Purchase Documents are met and that the Seller has no knowledge that the Borrower will not return to work after the shutdown ends.

#### Verification of income

All income documentation requirements in the Seller’s Purchase Documents continue to apply during the shutdown, except as stated below for the age of paystub requirement in Guide Section 5302.2(a).

Year-to-date (YTD) paystubs may be dated more than 30 days before the Application Received Date, provided that the YTD paystub is from the pay period that immediately precedes the shutdown-related payroll interruption.

#### 10-day pre-closing verification (10-day PCV)

The Seller must continue to attempt to obtain the 10-day pre-closing verification (PCV) in accordance with requirements in Section 5302.2(d) before delivering the Mortgage to Freddie Mac.

If the Seller is unable to obtain the 10-day PCV solely due to the shutdown, the Seller is not required to obtain the 10-day PCV prior to the Delivery Date, provided that the Mortgage file contains a written statement from the Seller documenting the steps the Seller took to meet the requirement and that the requirement could not be met as a direct result of the shutdown. The Seller warrants that the Borrower is employed at the time the Mortgage is delivered to Freddie Mac.

Sellers may continue to use Loan Product Advisor® asset and income modeler (AIM) to obtain employment representation and warranty relief if the Mortgage closed by the “close-by-date” reflected on the Last Feedback Certificate. If the Mortgage did not close by the “close-by-date”, the above requirements related to the 10-day PCV apply. In addition, for Mortgages not submitted or resubmitted to Loan Product Advisor, the application programming interface report can be used to meet the 10-day pre-closing employment verification requirements.



#### Reminders:

- For military Borrowers, a military Leave and Earnings Statement dated no more than 120 days prior to the Note Date is permitted to meet our requirements for the 10-day PCV
- A 10-day PCV for government employees can often be obtained from a third-party service provider

#### Internal Revenue Service (IRS) related requirements

The following requirements continue to apply during the shutdown regardless of whether the Internal Revenue Service (IRS) is impacted by the shutdown:

- [IRS Form 4506-C](#) (or an alternate form acceptable to the IRS that authorizes the release of comparable tax information to a third party, e.g., [IRS Form 8821](#)) must be signed by the Borrower no later than the Note Date in accordance with requirements in Section 5302.5, except when all income to qualify for the Mortgage is assessed using AIM and the Mortgage receives an “Eligible for income representation and warranty relief” or “Eligible for partial income representation and warranty relief” result as described in Sections 5303.4, 5303.5 and 5305.2
- The age of tax return requirements in Section 5302.4(b) must be met
- The IRS income information must be obtained using IRS Form 4506-C (or an alternate form acceptable to the IRS that authorizes the release of comparable tax information, e.g., IRS Form 8821) as part of the Seller’s in-house quality control program in accordance with requirements in Section 3402.5

Note: For Mortgages when the automated income assessment with Loan Product Advisor used tax data that was obtained from the Borrower’s tax transcripts as described in Section 5304.2, requests from the IRS may not be fulfilled. Loan Product Advisor will continue to message when tax transcripts are available for assessment.

#### Reserves requirements

The following requirements apply to Mortgages with Application Received Dates on or after November 3, 2025, in the event that the shutdown is still ongoing at that time. For impacted Borrowers, the Seller must verify the greater of:

- Two months reserves, using the monthly payment amount as described in Section 5501.2(a)

OR

- For Loan Product Advisor Mortgages, the minimum reserves required by Loan Product Advisor, as stated on the Feedback Certificate and in Section 5501.2(b)
- For Manually Underwritten Mortgages, the minimum reserves required in Section 5501.2(b)

#### Eligibility for sale of Mortgages that require flood insurance

As a reminder to Seller/Servicers, if the National Flood Insurance Program’s (NFIP) authority to issue new and renewal policies and increase coverage on existing policies expires, our requirements for flood insurance remain unchanged.

During a lapse in the NFIP’s authority, Freddie Mac’s requirements for flood insurance in Guide Chapters 3401, 4703 and 8202 remain unchanged, including the following:

- Seller/Servicers originating Mortgages for sale to Freddie Mac must continue to perform flood zone determinations
- Properties located in Special Flood Hazard Areas securing Mortgages owned by and delivered to Freddie Mac must have flood insurance coverage or acceptable evidence of pending issuance

If a Borrower applies for NFIP flood insurance, acceptable evidence pending issuance of a final NFIP policy may include one of the following:

- A completed and executed NFIP Flood Insurance Application plus a copy of the Borrower’s premium check or agent’s paid receipt,
- A completed and executed NFIP Flood Insurance Application plus the final Settlement/Closing Disclosure Statement reflecting the flood insurance premium collected at closing, or
- A completed and executed NFIP General Change Endorsement Form showing the assignment of the current flood insurance policy by the property seller to the Borrower



Seller/Servicers that accept interim evidence of NFIP coverage as described above during a lapse in the NFIP's authority must follow up once the NFIP's authority has been reinstated to ensure that they have final evidence of coverage meeting the requirements of Section 4703.3.

Private flood insurance is not affected by a lapse in the NFIP's authority.

## SERVICER GUIDANCE

### Forbearance

To assist Borrowers directly impacted by the shutdown, Servicers may offer forbearance in accordance with Chapter 9203.

Borrowers who are currently performing on a repayment plan or a Flex Modification Trial Period Plan and are impacted by the shutdown may request a forbearance plan. If the Borrower converts from a repayment plan or a Trial Period Plan to a forbearance plan, the Borrower may be eligible for a workout option upon successful completion of the forbearance plan.

### FHA, VA and RHS Mortgages

Servicers of FHA, VA and RHS Mortgages should follow the requirements issued by those government agencies during the shutdown.

### Processing of IRS Form 4506-C

If the Servicer is unable to obtain a tax transcript from the IRS through electronic processing of an executed [IRS Form 4506-C](#) per the Guide, the Servicer must obtain a copy of the Borrower's most recent complete and signed individual federal income tax return, when required.

### Servicing Mortgages requiring flood insurance

As mentioned above in the [eligibility for sale of Mortgages that require flood insurance section](#) of this Bulletin, our requirements for flood insurance remain unchanged. During a lapse in the NFIP's authority, payments to renew expiring policies must be made as scheduled.

Seller/Servicers that accept interim evidence of NFIP coverage as described above during a lapse in the NFIP's authority must follow up once the NFIP's authority has been reinstated to ensure that they have final evidence of coverage meeting the requirements of Section 8202.4.

Private flood insurance is not affected by a lapse in the NFIP's authority.

## CONCLUSION

We appreciate the understanding and consideration that Seller/Servicers extend to Borrowers coping with the hardships imposed by the shutdown.

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

Sincerely,

Kevin Kauffman

Senior Vice President, Single-Family Seller Engagement