

Freddie Mac Extends Loan Payment Flexibility to Long-Term Unemployed

Beginning February 1st, companies servicing mortgages owned by Freddie Mac may offer unemployed borrowers having trouble making payments on their mortgage up to 12 months of loan forbearance.

Freddie Mac servicers may offer unemployed borrowers 6 months loan forbearance at their discretion as a means to prevent the loan from moving into foreclosure due to a loss of income as a result of unemployment. However, servicers must seek approval from Freddie Mac prior to extending a borrower the maximum 12 months forbearance.

Currently, an unemployed borrower whose mortgage is insured by the Federal Housing Administration is eligible for up to 12 months forbearance. Last year, HUD Secretary Shaun Donovan ramped up pressure on Fannie Mae and Freddie Mac to harmonize forbearance standards with FHA. Fannie Mae is expected to release similar unemployment forbearance procedures soon.

Community associations should remind all residents that loan forbearance offered by FHA, Freddie Mac, Fannie Mae, or on behalf of any lender does not cover association assessments. CAI encourages all associations to work with troubled borrowers to avoid any instance of assessment delinquencies and to preserve the ability of owners to remain in good standing with the association.

To view Freddie Mac's announcement, click [here](#).