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(ALL REPLIES TO LATHAM OFFICE)

CLIENT ALERT

DATE: 10 April 2020

SUBJECT: Credit Reporting COVID 19

As we adjust to the whirlwind of changes happening every day there is some good news. FNMA and FHLMC have aligned their credit reporting requirements with the CARES Act.

Sec.4021 of the CARES Act requires that if a servicer makes an “accommodation” which includes an agreement to defer 1 or more payments, make a partial payment, forbear, modify, or any other assistance or relief granted to a consumer who is affected by COVID-19 during the covered period, the servicer shall report the credit obligation as current. If the credit obligation was delinquent before the accommodation, they may maintain the delinquent status during the period when the accommodation is in effect. If the consumer brings the account current during the accommodation period, the account should be reported as current. Covered period is defined as the period beginning January 31, 2020 and ending the later of (aa)120 days after the date of enactment;(bb)120 days after the declaration of the national emergency, March 13, 2020 terminates. The reporting requirement does not apply to charged-off accounts.

Prior to the CARES Act the GSEs required that reporting be suppressed. That has now been changed.

Freddie Mac Bulletin 2020-10 <https://guide.freddiemac.com/app/guide/bulletin/2020-10>

Credit reporting requirements

For any Borrower impacted by COVID-19, the Servicer must report activity to the credit bureaus in accordance with applicable law, including the Fair Credit Reporting Act and the CARES Act.

FNMA Lender Letter (LL-2020-02) <https://singlefamily.fanniemae.com/servicing#servicing-promo>

Credit Reporting

In response to the CARES **Bureau**

Act, we are acknowledging that the servicer must report the status of the mortgage loan to the credit bureaus in accordance with the FCRA, including as amended by the CARES Act, for borrowers affected by the COVID-19 emergency. This supersedes our guidance of March 18, 2020, which instructed servicers to suspend reporting.

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Schiller, Knapp, Lefkowitz & Hertzell, LLP, is an LLP formed in the State of New York