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Freddie Mac Suspends All Foreclosure Sales of Occupied Homes From Day Before Thanksgiving Until January 9, 2009

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McLean, VA – Freddie Mac (NYSE: FRE) today announced it has ordered its national network of mortgage servicers and foreclosure attorneys to suspend all foreclosure sales and evictions involving occupied single family and 2-4 unit properties with Freddie Mac-owned mortgages between November 26, 2008 and January 9, 2009. The suspension will help servicers implement the Streamlined Modification Program recently announced by Freddie Mac, Fannie Mae, the Federal Housing Finance Agency (FHFA), HOPE Now and 27 mortgage servicers. The temporary suspension is also expected to give servicers more time to help borrowers avoid foreclosure.

Specifically, Freddie Mac servicers and foreclosure attorneys were told to contact as quickly as possible an estimated 6,000 borrowers with foreclosure sales scheduled between November 26, 2008 and January 9, 2009. If the property is occupied, the servicers and foreclosure attorneys will halt the sale. This temporary suspension of foreclosure sales will not apply to vacant single family properties. Additionally, no evictions will be completed between November 26 and January 9.

“By working closely with FHFA and our servicers, Freddie Mac is on track to help three out of every five troubled borrowers with Freddie Mac-owned loans avoid foreclosure this year,” said Freddie Mac Chief Executive Officer David M. Moffett. “Today’s announcement builds on this momentum and provides a new measure of certainty to many of these families during the holidays.”

Moffett said that by delaying these foreclosure sales, the nation’s servicers will have the opportunity to work with more borrowers who could qualify for a modification under the new Streamlined Modification program scheduled to begin by December 15.

“Today’s announcement has the potential to enable more families struggling in these extraordinary times to take advantage of this vital new initiative developed with FHFA, the Treasury Department and the mortgage finance industry,” said Moffett.

Moffett also emphasized that lenders servicing Freddie Mac-owned mortgages will continue to work with borrowers to consider all workout options Freddie Mac employs to help distressed borrowers who can and want to stay in their homes, such as permanent rate reductions and mortgage term extension modifications.

This year, Freddie Mac expects to approve 84,000 workouts for the estimated 140,000 who are delinquent on Freddie Mac-owned mortgages. (For more about Freddie Mac workout options, see freddiemac.com/avoiding_foreclosure.)

Freddie Mac’s temporary suspension of foreclosure sales is the latest in a series of efforts to help troubled borrowers. Other recent initiatives have included, delegating expanded workout authority to servicers, doubling the amount of money servicers are paid for successful workouts, and paying non-profit organizations to reach out to worried borrowers.

Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation’s residential mortgage markets. Freddie Mac supports communities across the nation by providing mortgage capital to lenders. Over the years, Freddie Mac has made home possible for one in six homebuyers and more than five million renters.

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