



DELEGATED CORRESPONDENT ANNOUNCEMENT 2020-14 April 13, 2020

first community mortgage

Compliance Announcement

FORBEARANCE:

The COVID-19 epidemic has caused unprecedented disruption to the lives and incomes of many current and prospective mortgage borrowers throughout the country. Effective immediately, First Community Mortgage will be aligning with the direction outlined by Fannie Mae and Freddie Mac.

Effective immediately loans that are in forbearance, or loans for which forbearance has been requested are no longer eligible for purchase by First Community Mortgage.

Upon delivery to First Community Mortgage a Lender Forbearance Attestation will be required for all loans submitted for purchase as of April 13, 2020, including existing pipeline.

It is expected that all Sellers have a process in place to actively track and monitor requests for a forbearance plan/mortgage relief option.

Fannie Mae and Freddie Mac have released additional FAQs regarding eligibility of loans in forbearance. Please see Fannie Mae <https://www.fanniemae.com/portal/covid-19.html> and Freddie Mac <https://sf.freddie.mac.com/about/covid19> for additional information.

First Community Mortgage is providing the temporary guidelines due to the impacts of COVID- 19 and the potential impact to a borrower's ability to repay. This guidance is temporary; therefore, First Community Mortgage guidelines will not be updated. These requirements are in effect until further notice and are effective for all loans including Conventional, FHA, VA, USDA and Non-Conforming Jumbo.

EPD/REPURCHASE DEMANDS:

Existing covenants and agreements in the Mortgage Loan Purchase and Sale Agreement regarding Early Payment Default provisions remain unchanged and fully enforceable. Any EPD directly related to a borrower request for forbearance under the CARES Act provision will be reviewed and communicated on a case-by-case basis.