

## Summary of Temporary Relief Available for Single-Family Mortgage Borrowers Impacted by the COVID-19 National Emergency

April 3, 2020

### I. General Information for All Homeowners – Single Family Mortgages

- Homeowners should continue to pay their mortgage if they have the ability to do so.
- Homeowners impacted by COVID-19 must contact their mortgage servicer if they are unable to make mortgage payments.
  - Borrowers should check the servicer's website to determine if there is an on-line portal, email option, or a mobile app to contact the servicer, to avoid long wait times by phone.
  - If the mortgage servicer allows a borrower to temporarily pause making mortgage payments, also referred to as a "forbearance," these payments are not forgiven. Borrowers will eventually be required to repay all missed payments.
  - Before accepting a forbearance on payments, borrowers should ask their servicer how and when the payments will be required to be repaid.
  - Borrowers should ask their servicer whether late fees will be waived.
  - For borrowers current on their mortgage at the time a COVID-19 related forbearance is offered, their credit will not be negatively affected.<sup>1</sup>
    - This credit protection is effective during the period beginning January 21, 2020 and ends on the later of 120 days after March 27, 2020, or 120 days after the date on which the COVID-19 National Emergency terminates.
- Before the forbearance period expires, servicers should contact borrowers to inform them of the available options to bring their loans current.
  - There is no guarantee that all borrowers will qualify for a home retention option, such as a repayment plan or loan modification, at the end of the forbearance period.
- Beware of Scams – Borrowers should ignore offers that guarantee anything, such as a promise that a company can obtain forbearance on payments or loan modifications. Reports scams to the Office of the State Attorney General.

<sup>1</sup>[Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136 \(2020\)](#). Section 4021 of the CARES Act - Credit Protection During Covid-19 - amends the Fair Credit Reporting Act. This protection applies to all consumer debt, other than charged-off loans; i.e., is not limited to borrowers with "Federally-backed mortgage loans" discussed below. See CARES Act at page 209.

## II. Announcements of Mortgage Payment Relief by Governors and State Attorneys General

Borrowers should not assume that mortgage payment relief announcements by their Governor and/or State Attorney General apply to their loans. Some of these announcements apply only to the mortgage lenders and servicers that are regulated by the respective state.

- Borrowers must confirm with their servicer or the state office issuing the announcement as to whether their loan is covered by such announcements.

## III. Federally-Backed Mortgage Loans

On March 27, 2020, the President signed into law the CARES Act, which provides a foreclosure and eviction moratorium, and temporary mortgage payment relief for borrowers with a "Federally-backed mortgage loan."<sup>2</sup> Federally-backed mortgage loans are defined as loans secured by a first or subordinate lien on residential real property, including condominium units and cooperatives, designed principally for the occupancy of from 1 to 4 families, in the following categories:

- Single-family FHA-insured loans, including Home Equity Conversion Mortgages (HECMs)
- Indian Home and Native Hawaiian Guaranteed Loans
- USDA Guaranteed or Insured Loans
- USDA Direct Loans
- VA Loans
- Loans purchased or securitized by Fannie Mae and Freddie Mac

### A. Forbearance – Temporary Ability to Pause Mortgage Payments on Federally-Backed Mortgage Loans

Borrowers with a Federally-backed mortgage loan experiencing a financial hardship due, directly or indirectly, to the COVID-19 emergency may request forbearance on their mortgage payments during the period beginning March 27, 2020 through the end of the COVID-19 National Emergency or December 31, 2020, whichever is earlier.<sup>3</sup>

Borrowers with Federally-backed mortgage loans may request the forbearance by:

- Submitting a request to their mortgage servicer AND
- Affirming that the borrower is experiencing a financial hardship during the COVID-19 emergency.
  - Servicers may not require documentation of the hardship.
  - Borrowers who are delinquent may request this forbearance.
  - Initial forbearance period can be up to 180 days and could be extended at the borrower's request for up to an additional 180 days.
  - The initial or extended forbearance period may be shortened at borrower's request.
    - Servicers appear to be offering an initial 3-month forbearance period.
  - No fees, penalties, or interest beyond the amounts scheduled or calculated as if the borrower made all contractual payments on time and in full, shall accrue on the borrower's account.

<sup>2</sup>Section 4022 - Foreclosure Moratorium and Consumer Right to Request Forbearance. See CARES Act at pages 210-211. The Act does not provide a private right of action for this section.

<sup>3</sup>A drafting error omitted the definition of "covered period." It was written in earlier drafts as the earlier of the termination date of the COVID-19 National Emergency or December 31, 2020.

## B. Temporary Foreclosure and Eviction Moratorium on Federally-Backed Mortgage Loans

Except with respect to a vacant or abandoned property, during the 60-day period beginning on March 18, 2020, a servicer of a Federally-backed mortgage loan may NOT:

- Initiate any judicial or non-judicial foreclosure process.
- Move for a foreclosure judgment or order of sale.
- Execute a foreclosure-related eviction or foreclosure sale.

## C. Determine Whether a Borrower Has a “Federally-Backed Mortgage Loan”

- Borrowers typically know whether their loan is an FHA, VA, or USDA/RHS loan.
  - Review the promissory note and mortgage/deed of trust for references to these agencies.
  - HUD has sold many delinquent FHA-insured loans to private investors.
    - Borrowers should contact their Servicer or HUD's National Servicing Center (877-622-8525) to determine if their loan is still FHA-insured.
    - Review a monthly mortgage statement to determine if monthly MIP is on the account.
- Determine whether a borrower has a Fannie Mae or Freddie Mac loan.
  - [Fannie Mae Loan Look Up](#)
  - [Freddie Mac Loan Look Up](#)
  - Fannie Mae and Freddie Mac have sold many delinquent loans to private investors. Remind your clients to contact their servicer or use the websites above to confirm whether their loan is owned by Fannie Mae or Freddie Mac.
- Fannie Mae and Freddie Mac Borrowers – Call your mortgage servicer to request assistance. If borrowers cannot reach their servicer, call:
  - Fannie Mae Disaster Response Network at 1-877-542-9723  
Monday – Friday, 7 a.m. – 7 p.m. EST.  
Call will be answered by “Porchlight Disaster Recovery Assistance Team.”
  - 1-800-FREDDIE (1-800-373-3343)  
Monday – Friday, 8:30 a.m. – 7 p.m. EST.  
Select option 2 to be connected to a live agent to assist

## IV. Request for Information to Mortgage Servicer to Obtain Identity of Owner of a Borrower’s Loan

A borrower or their authorized representative may send a written request to the mortgage servicer to obtain the identity of the owner or assignee of their loan.<sup>4</sup>

- A very basic sample letter template with instructions is available [here](#).
- The servicer must acknowledge receipt of the letter within five business days of receipt.
- For requests seeking the identity and address of the investor (owner of the loan), the servicer must provide this information in writing within 10 business days of receipt of the request.
- The [CFPB provides additional information](#) concerning Requests for Information in general and Notices of Error.

<sup>4</sup> RESPA Regulation X – Requests for Information. [12 C.F.R. § 1024.36](#).

## V. Local and Statewide Court Orders Prohibiting Foreclosure Sales and Foreclosure Related Evictions

Many state courts have issued administrative orders suspending trials, foreclosure sales, and evictions. If a local or state court has issued such an order, all homeowners in that jurisdiction are protected, regardless of whether their loan is a Federally-backed loan.

This Summary will be updated as new information is released.  
Updates will be posted on NFHA's [COVID-19 Updates webpage](#). Scroll Down to "RESOURCES."