

Federal Housing Finance Agency
Office of the Director
400 7th Street, S.W.
Washington, D.C. 20219

April 9, 2020

Dear Director Calabria and FHFA staff,

As you know, the unprecedented COVID-19 pandemic has already caused financial hardship for millions of Americans who find themselves out of a job, facing lost income, and unable to keep up with their monthly mortgage payments. We applaud the Federal Housing Finance Agency (FHFA)'s decision to direct the Enterprises to suspend foreclosures and evictions and direct mortgage servicers to offer substantial mortgage forbearance, which would allow borrowers to remain in their homes. While the full extent of the coming crisis is not yet known, it is likely that many borrowers will need a forbearance on their loans, and a prolonged recession would require wide-spread deployment of the full range of loss mitigation options similar to, or greater than, the response necessitated by the Great Recession. Immigrant communities are likely to be hit especially hard by the public health and economic impacts of this crisis.¹

LEP borrowers need in-language resources to understand their options during this critical time. Borrowers with limited English proficiency (LEP) need access to in-language resources that aid them in understanding what relief is available and how to obtain it. Some of our organizations have participated in the FHFA Language Access Working Group over the past two years and appreciate FHFA's efforts to increase and improve in-language resources for the LEP community and their lenders and servicers. Given FHFA's established language access work, FHFA is particularly well-situated to exercise leadership in promoting industry access for LEP borrowers during the coronavirus crisis. We ask that FHFA take these immediate steps to make sure that LEP borrowers receive communications in their primary language so that they can access the relief they need:

- **Create a model notice in English and Spanish** explaining that a forbearance is available for borrowers impacted by COVID-19, directing affected borrowers to call their servicer to request a forbearance (while instructing those who can pay to do so), informing borrowers of the foreclosure moratorium and its scope and expiration, and letting borrowers know how they may be able to access in-language assistance through a housing counselor.² Such a notice should be mandated for distribution on the earliest

¹ Larry Buchanan et al, "A Month of Corona Virus in New York City: See the Hardest-Hit Areas," *The New York Times* (April 1, 2020), available at: <https://www.nytimes.com/interactive/2020/04/01/nyregion/nyc-coronavirus-cases-map.html?action=click&module=Top%20Stories&pgtype=Homepage>.

² This language-access information has already been translated into the top five languages and can be taken directly from the second half of FHFA's disclaimer on the Mortgage Translations website, which is available at: <https://www.fhfa.gov/MortgageTranslations/Pages/disclosure.aspx>.

possible timeline. If FHFA declines to mandate a general notice, it nevertheless should require servicers to inform borrowers of how they can access in-language assistance.

- **Require servicers to send this notice**, either as an insert with the periodic statement or embedded in that document, in English and Spanish (or English, and any other language the servicer knows a borrower prefers to receive communication if FHFA has translated the notice into that language).
- **Translate the following resources** into the top five languages spoken by LEP borrowers³:
 - An **overview of COVID-19 related hardship options and directions** for borrowers on how to request a COVID-19-related forbearance, which should be posted on FHFA and the GSEs' websites; and
 - Forbearance-related **model solicitation letters and evaluation notices**, which should be provided to servicers via the Mortgage Translations clearinghouse.

Coordinated outreach is necessary to reach LEP communities. We also encourage FHFA to work with the other housing and financial regulators on a coordinated, multi-agency outreach effort to make the public aware of these broad mortgage-related policies that are being put in place. As part of that effort, we ask that the agencies incorporate outreach in multiple languages and engagement with appropriate in-language media and community-based organizations.

Specifically, in order to reach the housing counseling agencies and legal service providers who often help LEP borrowers access the assistance they need, we ask that FHFA, in conjunction with other agencies:

- **Set up a multi-agency webinar or phone briefing** with housing counselors and legal service providers to familiarize them with the details of the foreclosure moratoria and mortgage relief options in place for homeowners experiencing hardship, and any existing in-language resources and notices; and
- **Facilitate coordination between mortgage servicers and existing housing counseling call centers** (UUS, HOPE, and others) to connect LEP consumers with in-language assistance over the phone.

The process for requesting a forbearance should be simple and streamlined. FHFA should ensure that the process of obtaining a forbearance is as streamlined and uniform as possible. Simplicity benefits all borrowers and servicers and is especially helpful to LEP borrowers navigating an already-complex situation. Early reports from advocates in the field point to some servicers offering short forbearance periods, informing borrowers that they will be required to pay a lump sum at the end of the initial forbearance, and demanding extensive documentation

³ Spanish, Chinese, Korean, Vietnamese, and Tagalog are the top five languages spoken by the LEP community in the United States and the five languages targeted by FHFA's Multi-Year Language Access Plan and its Mortgage Translations Clearinghouse. While the documents listed in this letter should be translated into all 5 languages as soon as possible, we realize that Korean and Tagalog translations may proceed on a slower timeline as FHFA finalizes its glossaries in those languages.

from an employer to demonstrate COVID-19-related loss of income. The forbearance review process must be as simple and uniform as possible. Servicers are already reporting excessive wait times to speak to a representative by phone, and these delays will be amplified for LEP borrowers in need of language line assistance. Moreover, discretion without clear standards regarding the duration of forbearance or the payment amount during that period can lead to discriminatory implementation, especially among servicers that lack fully multilingual and culturally competent servicing capacity.

More in-language resources will be necessary as LEP borrowers seek further assistance.

In addition to these immediate steps, we urge FHFA to think ahead to the next inflection points in the response to this crisis - the points at which borrowers will once again need assistance from their servicers - and begin now to put in place the resources that servicers will need at those moments to help their LEP borrowers. Key among these are the end of initial forbearance periods, when many borrowers will need to request extensions, and the expiration of all forbearance periods, when borrowers will need to be evaluated for subsequent loss mitigation options. In anticipation of those future needs, and to help ensure that these transitions go as smoothly as possible for both borrowers and servicers, FHFA should begin working now to draft and translate appropriate notices and other relevant in-language resources.

FHFA and the GSEs have a special obligation to make mortgage relief accessible to LEP communities under the duty-to-serve framework, and have made significant investments in improving language access for mortgage borrowers. Yet they have not translated any of their press releases or information sheets about Covid-19 relief into Spanish, even as other agencies have already taken these necessary steps.⁴ FHFA should build on its prior accomplishments in the area of language access to ensure that LEP borrowers are not left behind and that all COVID-19 resources and materials are made accessible to them. AFR's Language Access Task Force looks forward to continuing our work with FHFA and the Enterprises to improve language access for LEP borrowers in the mortgage market.

If you have any questions, please contact Linda Jun at linda@ourfinancialsecurity.org or Agatha So at aso@unidosus.org.

Sincerely,

Americans for Financial Reform Education Fund
ACCESS
American Federation of Teachers (AFT)
California Reinvestment Coalition
Center for Community Progress
Center for Popular Democracy
Center for Responsible Lending

⁴ See, e.g., "HUD PROVEE ALIVIO INMEDIATO A PROPIETARIOS DE VIVIENDA DURANTE RESPUESTA NACIONAL AL CORONAVIRUS," (March 18, 2020), available at: https://www.hud.gov/espanol/HUD_No_20_042_SPA.

Coalition on Human Needs
Community Legal Services of Philadelphia
Connecticut Fair Housing Center
Consumer Action
Empire Justice Center
Hispanic Federation
Housing Choice Partners
League of United Latin American Citizens
NAACP
National Association for Latino Community Asset Builders
National CAPACD - Coalition for Asian Pacific American Community Development
National Center for Transgender Equality
National Community Reinvestment Coalition (NCRC)
National Consumer Law Center, On Behalf of Its Low-Income Clients
National Council of Asian Pacific Americans (NCAPA)
National Fair Housing Alliance
National Housing Law Project
National Housing Resource Center
National Partnership for Women & Families
National Urban League
New Jersey Citizen Action
Northwest Side Housing Center
Philadelphia Unemployment Project
Prosperity Now
Public Counsel
Southern Poverty Law Center
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