

GUIDE TO CORONAVIRUS MORTGAGE RELIEF OPTIONS



A new federal law, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, puts in place two protections for homeowners with federally backed mortgages:

- A foreclosure moratorium
- A right to forbearance for homeowners who are experiencing a financial hardship due to the COVID-19 emergency

If you don't have a federally backed mortgage, you still may have relief options through your mortgage servicer or from your state.

MORTGAGE FORBEARANCE

Forbearance is when your mortgage servicer or lender allows you to pause or reduce your mortgage payments for a limited period of time. Forbearance doesn't erase what you owe – you'll have to repay any missed or reduced payments in the future. If your income is restored, reach out to your servicer and resume making payments as soon as you can.

MORATORIUMS SUSPEND OR STOP FORECLOSURE

Foreclosure is when the lender takes back the property after the homeowner fails to make required payments on a mortgage. Foreclosure processes differ by state.

WHAT OPTIONS DO YOU QUALIFY FOR?

Your mortgage relief options depend on who owns or backs your mortgage.

First, figure out who services your mortgage. Call your servicer. Have your account number handy. Your mortgage servicer is the company that you send your mortgage payments to each month. If you don't know or can't remember who currently services your mortgage, there are several ways to find out, including looking at your mortgage statement for contact information.

Second, figure out if your mortgage is federally backed. To be eligible for protections under the CARES Act your mortgage must be federally owned or otherwise backed by one of the federal agencies and entities listed below. If you don't know who owns or backs your mortgage, you can call your servicer. The servicer has an obligation to provide you, to the best of its knowledge, the name, address, and telephone number of who owns your loan.

LIST OF FEDERAL AGENCIES AND ENTITIES

- U.S. Department of Housing and Urban Development (HUD)
- U. S. Department of Agriculture
 - USDA Direct
 - USDA Guaranteed
- Federal Housing Administration (FHA) (Includes reverse mortgages)
- U.S. Department of Veterans Affairs (VA)
- Fannie Mae
- Freddie Mac

CARES ACT RELIEF OPTIONS

If your mortgage is a federally backed mortgage, you have two mortgage relief options under the CARES Act:

First, your lender or loan servicer may not foreclose on you for 60 days after March 18, 2020. Specifically, the CARES Act prohibits lenders and servicers from beginning a judicial or non-judicial foreclosure against you, or from finalizing a foreclosure judgment or sale, during this period of time.

Second, if you experience financial hardship due to the coronavirus pandemic, you have a right to request a forbearance for up to 180 days. You also have the right to request one extension for another up to 180 days. You must contact your loan servicer to request this forbearance. There will be no additional fees, penalties or additional interest (beyond scheduled amounts) added to your account. You do not need to submit additional documentation to qualify other than your claim to have a pandemic-related financial hardship.

IF YOUR MORTGAGE IS BACKED BY FANNIE MAE OR FREDDIE MAC

In addition to the foreclosure moratorium and forbearance, if you are granted forbearance to delay making your monthly payments during this temporary period:

- You won't incur late fees
- You won't have delinquencies reported to credit reporting companies
- Foreclosure and other legal proceedings will be suspended

BORROWERS WITH A MORTGAGE NOT BACKED BY THE FEDERAL GOVERNMENT

If you have a mortgage loan that is not backed by one of the federal agencies or entities listed above, contact your servicer. The CFPB and other financial regulators have encouraged financial institutions to work with borrowers who are or may be unable to meet their obligations because of the effects of COVID-19.

Your servicer should help you identify alternatives that may be available to you given your specific circumstances.

YOUR STATE MAY ALSO OFFER ADDITIONAL MORTGAGE RELIEF OPTIONS

Many states are implementing or considering various mortgage relief options, including the suspension of foreclosures, as well as additional assistance for homeowners. Check your state's government website for details.