

Mortgage Moratorium & Forbearance Options under the CARES (Coronavirus Aid, Relief, and Economic Security) Act - Effective 3/27/20

Under the CARES Act, homeowners are entitled to certain foreclosure prevention protection until the foreclosure moratorium or mortgage forbearance expires. The original dates for the GSEs or government-entities below have been extended several times*. To ensure that your client is reviewed for any possible options available, check for updates.

CHECK THE BELOW BOXES FOR THE INVESTOR AND POSSIBLE OPTIONS FOR HOME RETENTION.

Fannie Mae & Freddie Mac

- Fannie Mae: **LOAN LOOKUP:** <https://www.knowyouroptions.com/loanlookup>
- Freddie Mac: **LOOKUP:** <https://www3.freddie.mac.com/loanlookup/>
 - Forbearance - Up to six months. Additional six months of forbearance if homeowner requests. No proof of hardship required.
 - Declined? Does the reason(s) fall in line with the CARES Act?
 - Approved? Are the principal and interest payments lower than the contractual principle & interest payments?
 - Are the post-forbearance options one of the following?
 - Full reinstatement
 - Pay off loan
 - Repayment plan
 - Payment Deferral -Starting July 1, 2020, delinquent payments put to the end of the loan
 - Extended modification
 - Cap and extend modification
 - Flex Modification

USDA RD

- Moratorium assistance up to 180 days (directly or indirectly) due to COVID-19.
- Lenders may approve the initial 180 day COVID-19 Forbearance no later than October 30, 2020.

FHA

- Forbearance - Up to six months. Additional six months of forbearance if homeowner requests.
- COVID-19 Standalone Partial Claim - An interest-free subordinate mortgage repayable after the first mortgage is paid in full.

Veterans' Administration (VA)

- Moratorium on foreclosure and eviction until 10/1/2021 (as of January 2021)
- Forbearance - Initial period of a forbearance = 180 days. Additional 180 days if needed.
- Repayment Plan - Homeowner must bring the mortgage current or apply for a loan modification. Servicer **cannot** move the payments to the end of the loan.
- Loan Modification - The mortgage cannot exceed 480 months from the **origination** date.
- Payment Deferred or Balloon Payment - Missed payments can be deferred or become due at the end of the loan with the last payment.

Home Equity Conversion Mortgage (HECM)

- Borrower must request the mortgagee delay calling a loan due and payable
 - Extension period – up to six months. If needed, additional six months
 - Loan already due and payable? – With HUD approval, mortgagee may take an automatic extension for up to six months.

As of 2/16/2021, forbearances are extended until 6/30/2021*