



Summary of National Foreclosure Moratoria and Forbearance Programs (updated as of April 3, 2020)

The tables below cover consumer assistance for a range of loan types and national-level moratoria on foreclosures and evictions. All information in this document is public and can be shared. This information is also included on the CSBS publicly accessible COVID-19 webpage, csbs.org/information-covid-19-coronavirus. This webpage will be updated if new information is released on these programs.

Consumer Assistance Program Summary – COVID-19 2020 Foreclosure Moratorium on Single Family Loans

<u>Loan Type</u>	<u>Effective Date</u>	<u>Duration</u>	<u>Terms of the Program</u>	<u>Issuing Agency/GSE</u>	<u>Reference Links</u>
Fannie Mae Conventional	March 18	60 days	<ul style="list-style-type: none"> • Suspension of F/C & evictions. 	FHFA & Fannie Mae	Link
Freddie Mac Conventional	March 18	60 days	<ul style="list-style-type: none"> • Suspension of F/C & evictions. 	FHFA & Freddie Mac	Link
FHA (Title II)	March 18	60 days	<ul style="list-style-type: none"> • Suspension of F/C & evictions. • Extension for first legal action & reasonable diligence timelines. 	HUD	Link
Home Equity Conversion Mortgage (HECM)	March 18	60 days	<ul style="list-style-type: none"> • Suspension of F/C & evictions. • Extension for first legal action & reasonable diligence timelines. 	HUD	Link
VA	March 18	60 days	<ul style="list-style-type: none"> • Encourages loan holders to Suspension of F/C & evictions. 	U.S. Dept. of Veterans Affairs	Link
USDA	March 19	60 days	<ul style="list-style-type: none"> • Suspension of F/C & evictions. • Extension for first legal action & reasonable diligence timelines. 	U.S. Dept. Agriculture	Link

Note: Suspension of foreclosures means that a servicer of a federally backed mortgage may not initiate any judicial or non-judicial foreclosure process, move for a foreclosure judgment or order of sale, or execute a foreclosure-related eviction or foreclosure sale.

Expanded Assistance for All Loan Types Listed Above (based on the passage of the H.R.748 - CARES Act)¹:

- Credit reporting for any ‘accommodations’ which includes any agreement to defer one or more payments, make a partial payment, forbear any delinquent amounts, modify a loan or contract, or any other assistance or relief granted to a consumer who is affected by COVID-19 will be suspended for a period up to 120 days after the national emergency declaration is terminated.

¹ <https://www.congress.gov/bill/116th-congress/house-bill/748>

Consumer Assistance Program Summary – COVID-19 2020 Forbearance on Single Family Loans

<u>Loan Type</u>	<u>Highlights of Program Terms</u>	<u>Reference Links</u>
Fannie Mae Conventional	<ul style="list-style-type: none"> • Up to 12 months of forbearance for eligible borrowers. • Disaster or similar events may automatically qualify borrowers for 3 months forbearance. • Forbearance plans will not incur late fees or penalties. 	Link
Freddie Mac Conventional	<ul style="list-style-type: none"> • Up to 12 months of forbearance for eligible borrowers. • Disaster or similar events may qualify borrowers without documentation. • Continue to report a "full-file" status to the four major credit repositories. • Forbearance plans will not incur late fees or penalties. 	Link
FHA (Title II)	<ul style="list-style-type: none"> • Up to 12 months of formal or informal forbearance for eligible borrowers (Mortgagee Letter 2020-06 supersedes the standard forbearance program which allows up to 6 months; extensions past 6 months are possible, but only with authorization from HUD under the standard program). • Special Forbearance (SBF) – Unemployment Program also available: <ul style="list-style-type: none"> ○ Up to 12 months of suspended or reduced payments for eligible borrowers. ○ SBF-Unemployment will not incur late fees or penalties. ○ Mortgagee incentive (\$200) for SBF-Unemployment claims 	Link Link (HUD Handbook 4000.1)
VA	<ul style="list-style-type: none"> • Special forbearance can be offered through a written agreement between the borrower, and servicer where the servicer agrees to suspend, or reduce payments for 1, or more months. 	Link
USDA	<ul style="list-style-type: none"> • Up to 12 months of forbearance for eligible borrowers. • Forbearance plans will not incur late fees or penalties. 	Link

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- Credit reporting for any ‘accommodations,’ which includes any agreement to defer one or more payments, make a partial payment, forbear any delinquent amounts, modify a loan or contract, or any other assistance or relief granted to a consumer who is affected by COVID-19 will be suspended for a period up to 120 days after the national emergency declaration is terminated.
- During a period of forbearance there will be no accrual of fees, penalties or interest beyond the amounts scheduled or calculated, as if the borrower made all payments in full and on time.

National Number of Borrowers by Loan Type (as of Q4 2019)²

To provide some context around the tables above and a potential range of borrower relief requests, please see the chart below outlining delinquencies nationwide for conventional, FHA and VA loans. It should also be noted that there is concern that a significant percentage of borrowers who were current on their mortgage loan payments prior to the COVID-19 emergency will need also forbearance assistance due to a change in their income or employment status.

² Derived from the MBA National Delinquency Survey, Q4 2019

Mortgage Bankers Association (MBA) National Delinquency Survey Q4 2019

<u>Loan Type</u>	<u>Number of Loans Served</u>	<u>Number of Loans with Installments Past Due</u>			<u>Loans in Foreclosure at End of Q4 2019</u>
		<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	
Conventional*	29,542,312	493,357	168,391	221,567	183,162
FHA	6,402,670	338,061	115,248	127,413	94,760
VA	2,581,548	57,569	19,362	27,623	21,943
All Loans	38,526,530	889,963	300,507	377,560	300,507

*The conventional loan type represents all non-government loans, which includes GSE loans and private-label loans.

Details of Federal Moratoria on Consumer Foreclosures Evictions (updated as of April 3, 2020)

HUD Moratorium on Foreclosures and Evictions

- **Summary:** On March 18, 2020, the U.S. Department of Housing and Urban Development (HUD) issued Mortgagee Letter (ML) 2020-04 and is effective immediately upon issuance.³ The purpose of this ML is to inform mortgagees of a foreclosure and eviction moratorium for all FHA-insured Single Family mortgages for a period of 60 days. This initiative is in response to the COVID-19 pandemic and serves two purposes. One, it provides Americans temporary housing relief, and two, it keeps families in their homes to “stem the tide of COVID-19.”
- **Applicable HUD Programs:** This applies to all mortgagees of FHA Title II Single Family forward and Home Equity Conversion Mortgage (reverse) mortgage loans. (Note: HUD defines single family as one- to four-unit dwellings.⁴)
- **Details:** The moratorium includes the following:
 - An immediate halt to the initiation of foreclosure actions and suspension of all foreclosure actions currently in process.
 - Cessation of all evictions of persons from FHA-insured single-family properties.
 - Deadlines of the first legal action and reasonable diligence timelines are extended by 60 days.
- **Effective Date and Duration:** Effective March 18, 2020, and in place for 60 days (May 17, 2020).
- **Public Feedback Period:** March 18, 2020, to April 16, 2020 (30 days from issuance). Feedback may be provided to the FHA Resource Center at answers@hud.gov. HUD will consider feedback in determining the need for future updates.

VA Moratorium on Foreclosures and Evictions

- **Summary:** The U.S. Department of Veterans Affairs (VA) Circular 26-20-8 on March 18, 2020, strongly encouraging mortgage servicers to observe the following actions for borrowers potentially impacted by COVID-19 pandemic:
 - According to the circular, the “VA strongly encourages loan holders to establish a sixty-day moratorium beginning March 18, 2020, on completing pending foreclosures or initiating new foreclosures on loans.”

³ <https://www.hud.gov/sites/dfiles/OCHCO/documents/20-04hsgml.pdf>

⁴ <https://www.hud.gov/sites/documents/40001GAHSGH.PDF>

- Additionally, the circular states that “VA regulation 38 C.F.R. 36.4324(a)(3)(ii) allows additional interest on a guaranty claim when eventual termination has been delayed due to circumstances beyond the control of the holder, such as VA requested forbearance.”⁵

USDA Moratorium on Foreclosures and Evictions

- **Summary:** On March 19, 2020, the U.S. Department of Agriculture (USDA) announced a foreclosure and eviction moratorium for all USDA Single-Family Housing Guaranteed Loan Program (SFHGLP) loans for a period of 60 days. The moratorium is effective immediately and is response to the COVID-19 National Emergency.⁶ Details of this assistance include:
 - The moratorium applies to the initiation of foreclosures and to the completion of foreclosures in process.
 - Evictions of persons from properties secured by USDA guaranteed loans are suspended.
 - Deadlines of the first legal action and reasonable diligence timelines are extended by 60 days.

FHFA Moratorium on Foreclosures and Evictions

- **Summary:** On March 18, 2020, the Federal Housing Finance Agency (FHFA) directed Fannie Mae and Freddie Mac (the Enterprises) to suspend foreclosures and evictions for at least 60 days due to the coronavirus national emergency. The foreclosure and eviction suspension applies to homeowners with an Enterprise-backed single-family mortgage.⁷ This directive is in addition to another initiative announced earlier in March, where the Enterprises would provide payment forbearance to borrowers impacted by the coronavirus for up to 12 months.
- **Information from Fannie Mae Press Release on March 18, 2020:** For owners of a single-family mortgage impacted by the COVID-19 pandemic, the following mortgage assistance and relief options are available to consumers with a Fannie Mae-backed mortgage:⁸
 - Foreclosure sales and evictions of borrowers are suspended for 60 days. This foreclosure suspension does not apply to mortgage loans on properties that have been determined to be vacant or abandoned. (Note: No effective date provided in the press release.)⁹
 - Homeowners impacted by the national emergency are eligible for a forbearance plan to reduce or suspend their mortgage payments for up to 12 months.
 - Credit bureau reporting of past due payments of borrowers in a forbearance plan as a result of hardships attributable to this national emergency is suspended.
 - Homeowners in a forbearance plan will not incur late fees.
 - After forbearance, a servicer must work with the borrower on a permanent plan to help maintain or reduce monthly payment amounts as necessary, including a loan modification.

At this time, it appears that Fannie Mae has not released additional details around this initiative.

⁵ https://www.benefits.va.gov/HOMELOANS/documents/circulars/26_20_8.pdf

⁶ <https://www.rd.usda.gov/node/17107>

⁷ <https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Suspends-Foreclosures-and-Evictions-for-Enterprise-Backed-Mortgages.aspx>

⁸ <https://www.fanniemae.com/portal/media/corporate-news/2020/covid-homeowner-assistance-options-7000.html>

⁹ <https://singlefamily.fanniemae.com/media/22261/display>

- **Information from Freddie Mac Press Release on March 18, 2020:** For owners of a single-family mortgage impacted by the COVID-19 pandemic, the following mortgage assistance and relief options are available to consumers with a Freddie Mac-backed mortgage:
 - A suspension of all foreclosure sales and evictions of borrowers living in homes owned by Freddie Mac. This foreclosure suspension does not apply to mortgages on properties that have been determined to be vacant or abandoned. The suspension of foreclosure sales and evictions is effective March 18, 2020, and applies until May 17, 2020. (Note: This initiative may be extended at the direction of FHFA.)¹⁰
 - Ensuring payment relief by providing borrowers forbearance for up to 12 months.
 - Waiving assessments of penalties or late fees against borrowers.
 - Suspending the reporting of delinquency related to forbearance, repayment or trial plans to credit bureaus.
 - Allowing servicers to offer borrowers additional loss mitigation options that are typically only enacted to address natural disasters. This includes loan modifications that give servicers options to provide payment relief or keep the payment the same post the forbearance period.

¹⁰ <https://guide.freddiemac.com/app/guide/bulletin/2020-4>