Federal and state government have announced measures to assist millions of Americans facing an inability to make their monthly mortgage payments due to the COVID-19 emergency. Here’s what you should know.

You should pay your mortgage if you can afford it.

If you cannot make a mortgage payment, relief may be available.

Not all mortgage loans qualify for relief.

The federal government’s CARES Act provides temporary relief for borrowers with “federally-backed mortgage loans,” which are loans that are owned or backed by an agency on this list:

- Federal Housing Administration (FHA) (includes reverse mortgages and loans under the Indian Home Loan Guarantee program)
- U.S. Department of Agriculture (USDA)
- U.S. Department of Veterans Affairs (VA)
- Fannie Mae & Freddie Mac

How to find out if you have a “federally backed loan”

- A list of federal loan agencies, their policies, and contact information can be found here.
- Go to www.knowyouroptions.com/loanlookup to see if you have a Fannie Mae loan.
- Go to https://ww3.freddiemac.com/corporate to see if you have a Freddie Mac loan.
- For FHA loans, it may indicate on your mortgage statement that part of your payment goes to FHA insurance. Or, check the first page of your HUD-1 Settlement Statement from when you bought the house and if you see a 13-digit HUD case number in the upper right hand corner, you have an FHA loan; or
- If you cannot get through to your loan servicer on the phone, write a letter asking for the identity of any entity that owns, insures, or guarantees your loan. A sample letter is available by clicking here. Your servicer must respond within 10 business days.

If your loan is “federally backed”

- Your loan servicer cannot foreclose on you until at least May 17, 2020, and
- If you experience financial hardship due to the coronavirus emergency, you can request a forbearance (see page 2) of your payment for up to 180 days from your servicer.

If your loan is not “federally backed”

- You still may have relief options through your loan servicer: call, or to avoid long wait times by phone:
  - Check the servicer’s website for contact them through an online portal, email option, or a mobile app.
  - Write a letter requesting information about your “loss mitigation” foreclosure prevention options. It could take up to 30 business days for a response.
- Under federal law, a servicer cannot start the foreclosure process unless your loan is more than 120 days past due.
What Is a Forbearance Agreement?

A **forbearance agreement** is one type of short-term relief being offered by many loan servicers. Your loan servicer is the company that sends your mortgage statements and handles the day-to-day tasks for managing your loan.

- The loan servicer agrees to reduce or suspend your payments for a set amount of time.
  - Under the CARES Act, it can be **up to** 180 days.
  - Other programs allow more or less time.
  - HUD and FHA are allowing **up to** 1 year.
- This provides for a **temporary** period of time when you do not have to make your full monthly payments.
- The payments are **not waived or forgiven; you will have to pay them back**.

What Happens at the End of a Forbearance Agreement?

- Your servicer may require you to do one of these actions or something different:
  - **Pay the full amount in a lump sum at the end of the forbearance period;**
  - Add an extra amount to your regular payments each month until the entire amount is repaid;
  - Add the suspended payments to the end of the loan; or
  - Apply for a **loan modification** in which the servicer might add the unpaid amounts to the balance of the loan, increase the repayment term of your loan, or lower the interest rate.
- When you first talk to your servicer about a forbearance agreement, make sure to ask:
  - What repayment options are available at the end of the forbearance period for both your principal and interest payments **and** escrow payments (real estate taxes and insurance); and
  - Whether late fees and interest continue to accrue during the forbearance period.
- To get answers on repayment options, immediately after requesting a forbearance agreement from your mortgage loan servicer, send them a **written** request for information asking for a description of all options available for the end of the forbearance period and the procedures for obtaining such options (keep a copy for your records).
  - This could be part of the same letter recommended on page 1 regarding available loss mitigation options. If you are seeking a permanent modification of your loan after the forbearance period ends, you may have to start that process shortly after your loan initially goes into forbearance.
  - You can see a sample letter with instructions [here](#) for asking what repayment options are available at the end of the forbearance period.
  - Your servicer must reply within 30 business days.

For more online resources, visit NCLC’s [COVID-19 & Consumer Protections](#).