

# Guide to coronavirus mortgage relief options

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If you're among those financially impacted by the coronavirus pandemic, you might be concerned about how to pay your mortgage or rent. Federal and state governments have announced plans to help struggling homeowners during this time. Read this to get information on what to do now, and what your options are for mortgage and rental relief.

## Important things to know first

**For many homeowners with mortgages, there's help, but first assess your situation.**

If you **can** pay your mortgage, pay your mortgage.

Don't call your mortgage servicer if you aren't facing an immediate issue. Mortgage servicers are getting a lot of calls and need to first help those who won't be able to pay their mortgage. Check their website first for possible options.

If you **can't** pay your mortgage, or can only pay a portion, contact your mortgage servicer immediately.

You may need to stay on the phone for a while before the servicer is able to take your call. Loan servicers are also impacted by the pandemic, so may be working with staffing and technology limitations. Please be sure to read this blog carefully so you are prepared for this conversation.

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

1. A foreclosure moratorium
2. 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.

Keep reading as we'll first explain what the different options mean. Then we'll explain how you can figure out if your lender or servicer can offer you any of the forms of assistance available.

**This blog includes information to help you understand:**

- [What are the major mortgage relief options?](#)
- [Which options do you qualify for?](#)
- [How to get mortgage relief](#)

- [What to do once you are receiving mortgage relief](#)
- [Watch out for scams](#)
- [Protections for renters](#)
- [Where to get more help](#)

## Major mortgage relief options during the coronavirus pandemic

### 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.

Depending on the kind of loan you have, there may be different forbearance options. If this option is available to you, read [our guide to help you make the best decision based on your situation](#).

### 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.

[Keep reading for specific information on forbearance and moratoriums under the CARES Act](#).

### What options do you qualify for?

Your mortgage relief options depend on who owns or backs your mortgage. Here we'll explain how to find out what you qualify for.

First, figure out who services your mortgage. This is who you need to contact.

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#### HOW TO REQUEST FORBEARANCE OR OTHER MORTGAGE RELIEF

##### **Call your servicer.**

You may need to stay on the phone for a while before the servicer is able to take your call.

Loan servicers are experiencing a high call volume and are also impacted by the pandemic, so may be working with staffing and technology limitations.

Have your account number handy.

[Click here for questions to ask and information to have ready for your call.](#)

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.

Click here to [find out who owns or services your mortgage.](#)

## 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](#)

Nearly half of the nation's mortgages are owned or backed by Fannie Mae or Freddie Mac.

To look up online whether your mortgage is owned or backed by Fannie or Freddie, click these links:

- [Is my loan backed by Fannie Mae?](#)
- [Is my loan backed by 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.

## How to request forbearance or mortgage relief

### Call your servicer

You may have to wait on the line for a while to speak to your mortgage servicer because there are a lot of people in need right now. Be prepared with the following information and questions you want to ask, and check their website before you call to see if there is a list provided of information you may need. Have your account number handy.

## You may need to explain

- Why you're unable to make your payment
- Whether the problem is temporary or permanent
- Details about your income, expenses and other assets, like cash in the bank
- Whether you're a servicemember with permanent change of station (PCS) orders

## Questions to ask

- What options are available to help you temporarily reduce or suspend my payments?
- Are there forbearance, loan modification, or other options?
- Can you waive late fees?

## Get it in writing

**Once you're able to secure forbearance or another mortgage relief option, ask your servicer to provide written documentation that confirms the details of your agreement and that you're clear on what the terms are.** With some forbearance programs, you may owe all of your missed payments at one time, or additional payments at the end of the mortgage might be required, so make sure you're familiar with the final terms.

## What to do once you've received a mortgage relief option

While you're in the forbearance period, or working under another mortgage relief option, there are a number of things to do to continue to protect yourself. This advice applies to both a CARES Act forbearance and other mortgage relief that you might receive.

- **Keep written documentation on hand.** You want to make sure that you have this documentation available in case there are any errors on your monthly mortgage statements to ensure that your statement reflects the assistance provided.
- **Pay attention to your monthly mortgage statement.** Continue monitoring your monthly mortgage statements to make sure you don't see any errors.
- **Keep an eye on your credit.** It's a good idea to routinely [check your credit reports](#) in order to make sure there are no errors or inaccuracies. If you stop making mortgage payments without a forbearance agreement, the servicer will report this information to the credit reporting companies, and it can have a lasting negative impact on your credit history. [If an error has been made, however, you can work to dispute it.](#) Get more information about [credit reporting and coronavirus](#).
- **Once your income is restored, contact your servicer and resume your payments.** With forbearance, you still owe the payments that you missed, but fewer missed payments mean you'll owe less down the road.
- **If you're continuing to receive some income that turns out to be more than you need for your bills and expenses (including anything you keep paying on your mortgage),**

**consider putting the extra money away so you can use it to pay off what's needed later.** If you can save any money now, it'll be helpful when payments are due later.

## Be aware of scams

Scammers often take advantage of vulnerable consumers during disasters and financial shocks. In addition to coronavirus-related scams, be aware of scams that falsely promise financial relief from your mortgage loan, or from foreclosure.

Here's what to watch for as scammers may:

- Charge a high up-front fee for their services
- Promise to get you a loan modification
- Ask you to sign over your property title
- Ask you to sign papers you don't understand
- Tell you to make payments to someone other than your servicer
- Tell you to stop making payments altogether
- Promise you payments in connection with providing credit card numbers and other personal information

[Learn what steps you can take if you believe you've been a victim of a foreclosure scam](#)

## Protections for renters

If you are renting from an owner who has a federally backed mortgage, the CARES Act provides for a suspension or moratorium on evictions. If your landlord has a federally backed mortgage or multi-family mortgage, you cannot be evicted for nonpayment of rent for 120 days beginning on March 27, 2020, the effective date of the CARES Act. After the 120-day period is up, the landlord cannot require you, the tenant, to vacate until providing you with a thirty-day notice to vacate.

If the property you rent isn't covered by the CARES Act, many states have suspended all evictions and foreclosures due to the pandemic. Check the websites of your state government, [state court](#), or legal aid program for details and updates.

## Where to get additional help

If you need help working with your servicer or understanding your options you may want to reach out to a professional to help you with your specific situation.

- **HUD-Approved Housing Counselors.** The U.S. Department of Housing and Urban Development (HUD)-approved [housing counselors](#) can discuss options with you if you're having trouble paying your mortgage loan or reverse mortgage loan. This may also include [forbearance](#) or a modified payment program.
- **Credit Counselors.** Reputable [credit counseling organizations](#) are generally non-profit organizations that can advise you on your money and debts, and help you with a budget.

Some may also help you negotiate with creditors. There are specific questions to ask to help you find a credit counseling organization to work with.

- **Lawyers.** If you need a lawyer, there may be resources to assist you through your local bar association, legal aid, or if you are a servicemember, your local Legal Assistance Office .