



Coronavirus Aid, Relief, and Economic Security (CARES) Act FAQ

Major mortgage relief options available during the coronavirus pandemic

CARES Act Relief Options for all federally backed mortgages

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

- 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 an extension for up to another 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 you don't have a federally backed mortgage, you still may have relief options through your mortgage loan servicer or from your state.

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 loan servicer immediately.

It may take a while to get a loan servicer on the phone. Loan servicers are experiencing a high call volume and may also be impacted by the pandemic. Please be sure to read this blog carefully so you are prepared for this conversation.

Mortgage Forbearance

- Forbearance is when your mortgage servicer or lender allows you to pause (suspend) or reduce your mortgage payments for a limited period of time while you regain your financial footing.
- Forbearance doesn't mean your payments are forgiven or erased. You are still required to repay any missed or reduced payments in the future.
- Make sure you understand how the forbearance will be repaid. There can be different forbearance programs or options, depending on the type of your loan.

- If and when your income is restored, reach out to your servicer and resume making payments as soon as you can so your future obligation is limited.

Depending on the kind of loan you have, there may be different forbearance options.

For example, if you have a Fannie Mae, Freddie Mac, FHA, VA, or USDA loan, you won't have to pay back the amount that was suspended all at once—unless you are able to do so.

At the end of the forbearance, your options can include paying all of your missed payments at one time, spread out over a period of months, or added as additional payments or a lump sum at the end of your mortgage.

If forbearance is available to you, read [our guide to help you make the best decision based on your situation](#).

HOW TO REQUEST FORBEARANCE OR OTHER MORTGAGE RELIEF

Call your servicer.

It may take a while to get a loan servicer on the phone. Loan servicers are experiencing a high call volume and may also be impacted by the pandemic.

Have your account number handy.

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

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. Under federal law, a servicer generally cannot start the state foreclosure process until your loan is more than 120 days past due. There can be exceptions depending on your forbearance or loss mitigation program.

[Servicers have to work with you to avoid foreclosure](#). The [Homeowner's Guide to Success](#) explains the federal law and what to do if you can't pay your mortgage.

What mortgage relief options do I 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.

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. Most mortgages are federally backed.

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. Your mortgage documents and note may also tell you, especially if you have a VA or FHA loan.

List of federal agencies and entities with federally backed mortgages.

This information links to the guidance that the agencies and entities are giving as well as available “loan look up” information.

- [U.S. Department of Housing and Urban Development \(HUD\)](#)
- [U. S. Department of Agriculture](#)
 - ◆ [USDA Direct](#)
 - ◆ [USDA Guaranteed](#)
- [Federal Housing Administration \(FHA\) \(Includes reverse mortgages\)](#)
 - ◆ You can call the HUD National Servicing Center at 877-622-8525
- [U.S. Department of Veterans Affairs \(VA\)](#)
- [Fannie Mae](#)
 - ◆ [Check here to see if your loan is backed by Fannie Mae](#) or call 1-800-232-6643 and press “4” for homeowner
- [Freddie Mac](#)
 - ◆ [Check here to see if your loan is backed by Freddie Mac](#) or call 1-800-373-3343 and press “4” for homeowner.

VIDEO: CARES ACT MORTGAGE FORBEARANCE: WHAT YOU NEED TO KNOW

If you can't make your mortgage payments because of the coronavirus, start by understanding your options and reaching out for help.

[Watch the video](#)

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, so the loan is not covered by the CARES Act, **contact your loan servicer**. You can find your servicer's name on your mortgage statement or by searching the [Mortgage Electronic Registration Systems \(MERS\)](#) website.

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 that are in addition to federal initiatives, including the suspension of foreclosures, as well as additional assistance for homeowners. [Check your state's government website for details](#).

How do I request forbearance or mortgage relief?

To request mortgage relief, you'll need to reach out to your servicer. To ensure that you are ready for that conversation we've got some information to help you prepare. Servicers may have scripts that they



use when they talk to you. You can review scripts from [Fannie Mae](#) and [Freddie Mac](#), to help you get a sense of what to expect.

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 also in need right now.

Be prepared with the following 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 or if you can apply online.

Have your account number handy.

For homeowners with mortgages covered by the CARES Act, you only need to explain that you have a pandemic-related financial hardship.

Questions to ask

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

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 forbearance agreement and that you're clear on what the terms are.

What do I do once I'm receiving 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, which you will continue to receive after your relief option is in place. Continue monitoring your monthly mortgage statements to make sure you don't see any errors.

Stop or change auto-payments for your mortgage. If you are having your mortgage payment [deducted automatically from your bank account](#), make sure you make any necessary adjustment to avoid any fees or charges.

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 [protecting your credit during the coronavirus pandemic](#).



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.

Your property taxes and insurance should continue be paid if your mortgage has [an escrow account](#), but you may want to confirm with your servicer. If your mortgage does not have an escrow account, you will be responsible for these payments.

How do I repay my forbearance?

After your forbearance period ends, you will have to make arrangements with your servicer to repay any amount suspended or paused.

Under the CARES Act, if you have a federally backed mortgage, you also can request an extension of the forbearance for up to an additional 180 days.

The method of repayment varies depending on your loan and the options offered. Not all borrowers will be eligible for all options. You should take steps to be aware of how these programs work and what you can expect in terms of repaying these amounts.

Generally, repayment of forbearance occurs by the amount being repaid:

- in one lump sum at the end of the forbearance period
- added onto your existing monthly payments over a set number of months
- added to the end of your loan as additional payments or as a lump sum

Just as forbearance may differ between the federally backed agencies or entities, so does the repayment of the forbearances.

Please check back for updated information as well as check with your loan servicer and the website of the agency or entity that owns or guarantees your loan. The following information provides some of the options to repay your forbearance.

- Fannie Mae & Freddie Mac loans:
 - ◆ Borrowers allowed to repay past due amount within 12 months after forbearance ends;
 - ◆ Extend the term of the mortgage by the exact number of months in forbearance;
 - ◆ Add past due amounts into loan balance and extend the term of the loan by the number of months necessary to make the monthly payment the same as the previous payment;
 - ◆ Add past due amounts into loan balance and extend term of loan for 40 years (480 months).
- FHA loans:
 - ◆ Borrowers may enter into a repayment plan to repay past due amounts within 6 months after forbearance ends;
 - ◆ Extend term of mortgage to 30 years (360 months) by adding the past due amounts into the previous monthly payment;

- 
- ◆ Past due amounts paid off at the end of the loan in a lump sum.
 - VA loans:
 - ◆ Borrowers may enter into a repayment plan to repay past due amount within 6 months after forbearance ends;
 - ◆ Add past due amount into loan balance and extend term to 30 years (360 months);
 - ◆ Targets lower payment of 31% of borrower's gross income by extending loan term to 30 years (360 months) with option to forbear principal.
 - USDA loans:
 - ◆ Borrowers may enter into a repayment plan to repay past due amounts within 6 months;
 - ◆ Add past due amount into loan balance and extend term to 30 years (360 months) as long as payment less than or equal to payment prior to forbearance;
 - ◆ Lump sum repayment at loan payoff.

For non-federally backed loans

Check with your lender and your loan servicer for the forbearance repayment options that they offer. You may be able to find information about forbearance programs by checking the websites of your lender and servicer for more detailed information.

For all loans

If you don't think that you will be able to resume your mortgage payments at the end of the forbearance period, contact your mortgage servicer before the end of your forbearance period. They might be able to offer you longer term help.

The [Homeowner's Guide to Success](#) explains what to do if you can't pay your mortgage. Additionally, the Bureau has rules to protect homeowners in the foreclosure process, and towards the end of your forbearance you should receive communication from your servicer about your options and if they need additional information. It is important to work with your servicer to understand the process and what your next steps are.

How do I watch out for 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](#)

What protections are there from utility and Lifeline disconnections?

Utility Moratoriums. Many states have suspended public utility disconnections. Check with your [state utility commission](#) or your local utility to see what protections or relief may be available. Municipal utilities and Rural Electric Cooperatives (REC) may be covered by your state's emergency proclamation. They may also have their own COVID-19 disconnection policy. Check with your municipal utility or REC for details.

Lifeline Terminations Suspended. To help keep Americans connected during the coronavirus pandemic, the Federal Communications Commission (FCC) has temporarily waived Lifeline usage requirements and general de-enrollment procedures until May 29, 2020. An [FCC order](#), released on March 30, 2020, will help ensure that no current Lifeline subscribers are involuntarily removed from the Lifeline program during this time of national crisis.

Do renters have protections?

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 can I 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](#).