

Resources to Assist Renters and Homeowners During the COVID-19 Pandemic

August 26th, 2020

Moderators:

Chloe Cohen, Project Coordinator for Affordable Housing Initiatives, MBA

John Paul Shaffer, AICP, Executive Director, BLDG Memphis

Panelists:

Ryan McGuinness, Director, Mortgage Servicing Policy, Freddie Mac

Erich Ludwig, Manager, Single Family Servicer Center, Fannie Mae

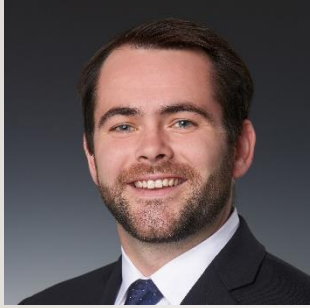
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Freddie Mac COVID-19 Response

ALL FOR HOME

 Freddie Mac
Single-Family

To protect those affected, either directly or indirectly, **by the novel coronavirus**, known as COVID-19, **the mortgage and housing industry has taken numerous actions.**



Who Do These Measures Apply To?

Borrowers who **are affected**, either directly or indirectly, **by COVID-19**.

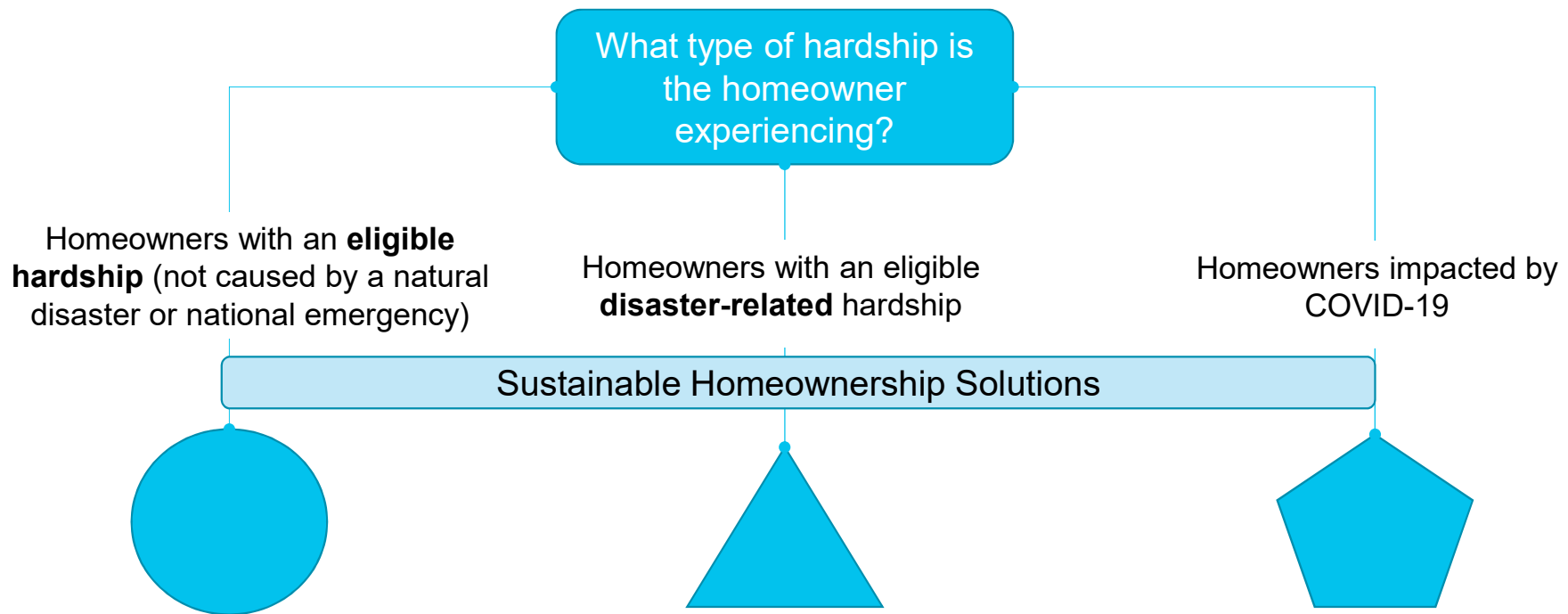
Borrowers who **are unable to make their mortgage payments due to hardship related to COVID-19**.

Affected borrowers **regardless of whether their property is owner occupied**, a second home or an investment property.

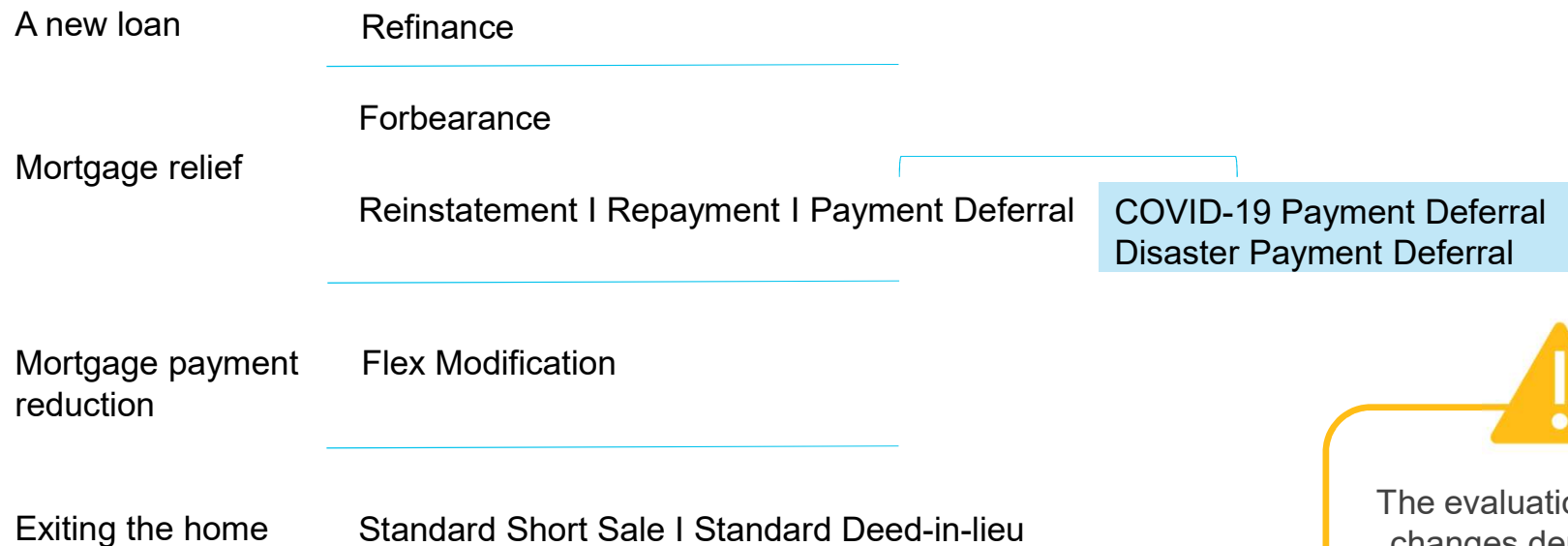
Freddie Mac Mortgage Relief Options for Borrowers Impacted By COVID-19:


- ✔ Provide borrowers with **payment relief** for up to 12 months.
- ✔ Suspend borrower **late charges** and penalties.
- ✔ Allow Servicers to offer borrowers **additional loss mitigation options**.

Mortgage assistance: One size does not fit all



Loss mitigation toolkit




The evaluation hierarchy changes depending on hardship type (i.e.. disaster related; COVID-19 related)

Forbearance

Standard

Reduced or no monthly payments for a specified period of time

Highlights

- Forbearance not to exceed a 12-month delinquency
- QRPC with the borrower
- Borrower must have an eligible temporary hardship
- Agreement in writing and sent to the borrower
- Servicer must discuss transition options with the borrower



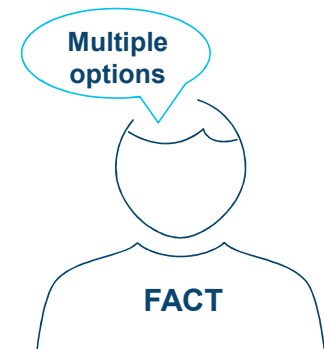
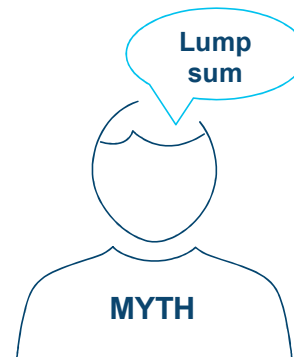
Key differences for COVID-19 related hardships

- Borrower must have a COVID-19 related hardship
- Servicer should attempt QRPC but must comply with applicable law
- Delinquency may exceed 12 months
- Reporting default codes and hardship reason
- Credit reporting impacts

Reinstatement & Repayment Plan

Standard

- A lump sum payment (reinstatement) or,
- Missed payments spread out and added to the existing monthly mortgage payment for a period of time (repayment plan)



Payment Deferral solutions

A relief option where the borrower will be brought current by deferring delinquent P&I, creating a non-interest-bearing forbore balance that will become due at the earlier of the mortgage maturity date, payoff date, or upon transfer or sale of the mortgaged premises

Standard Payment Deferral

- Borrower resolved hardship
- Up to two months of deferred delinquent P&I
- Requires a “rolling delinquency”
- Mandatory effective date is January 1, 2021

COVID-19 Payment Deferral

- COVID-19 related hardship
- Payment deferral can be up to 12 months
- Certain advances may be deferred
- Reduced eligibility criteria
- Mandatory effective date was July 1, 2020

Flex Modification

Standard

- The Flex Modification program is intended for borrowers who are unable to resume making their pre-forbearance payment and have not resolved their hardship
- Payment reduction by capitalizing arrearages, extending the term and potentially lowering the interest rate
- May include a non-interest bearing balance

Key differences for COVID-19 related hardships

- COVID-19 related hardship
- The borrower must have been current or less than 31 days delinquent as of the date of the National Emergency declaration related to COVID-19, March 1, 2020
- Reduced evaluation criteria

Smart Servicing

Best practice: Prep the borrower with education

Build **trust** and have more effective and meaningful discussions with homeowners by sharing this interactive guide to sustainable homeownership.

Available in English and Spanish. [Share with homeowners](#).

The screenshot shows a webpage with a blue header and footer. The main content area has a white background with a blue house illustration on the right. The text includes the hashtag #HelpStartsHere, the title 'SUSTAINING HOMEOWNERSHIP IN A CRISIS:', and the subtitle 'An Interactive Guide for Homeowners'. Below the illustration is a paragraph of text about understanding options during financial hardship. At the bottom, there is a blue button labeled 'SUPPORT' and the text 'HELP STARTS HERE'. The Freddie Mac logo is in the top right corner.

#HelpStartsHere

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SUSTAINING HOMEOWNERSHIP IN A CRISIS:
An Interactive Guide for Homeowners

During uncertain times and financial hardship, understanding the options available to sustain homeownership is vital to making proactive, informed decisions. Learn about the resources and solutions available as well as their short and long-term impact on your finances. Help starts here – with Freddie Mac.

SUPPORT

HELP STARTS HERE

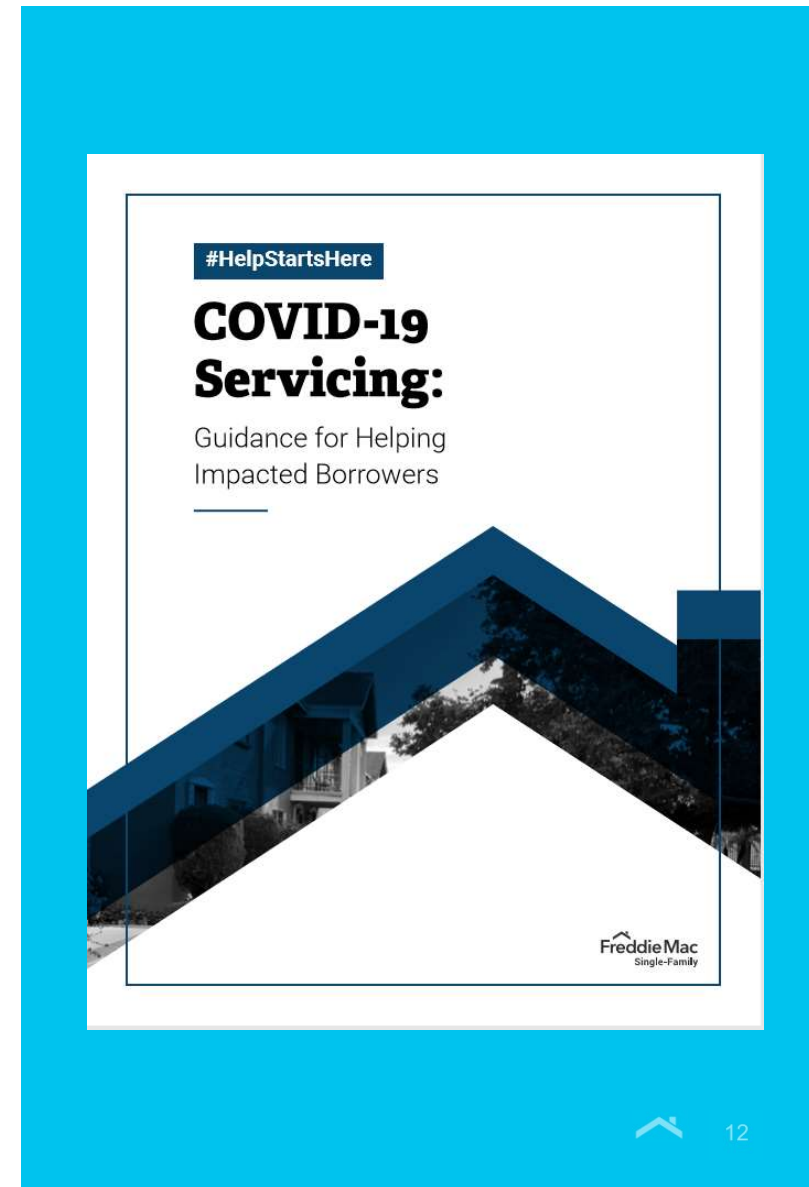
Smart Servicing

Best practice: Stay on the pulse of change with up-to-the-minute guidance

From quality right party contact, to foreclosure/eviction suspension, to the CARES Act... help starts here with a summary to navigate the latest changes to support homeowners impacted by COVID-19.

Visit the [Servicer eBook](#)

Visit the [COVID-19 Resource Center](#)



Key Resources

[COVID-19 Resources web page](#)

[Managing Escrow during a COVID-19 Related Hardship quick reference](#) - **NEW**

[Servicing COVID-19 FAQs](#) – Updated

[Servicer eBook](#) – *Guidance for Helping Impacted Borrowers*

[Forbearance Call Script](#)

[COVID-19 Relief: Forbearance Plan Tutorial](#)

[Servicer COVID-19 Reference Guide](#)

Questions?

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

SINGLE FAMILY HOUSING



FHA's COVID-19 Loss Mitigation Options Mortgagee Letter 2020-22

Presented by:

William Collins, Deputy Director

National Servicing Center

COVID-19 Forbearance



COVID-19 Forbearance

- If a Borrower is experiencing a financial hardship negatively impacting their ability to make on-time Mortgage Payments due to COVID-19 and makes a request for a COVID-19 Forbearance, the Mortgagee must offer the Borrower a COVID-19 Forbearance.
- The COVID-19 Forbearance allows for one or more periods of reduced or suspended payments without specific terms of repayment.
- All Borrowers are eligible for a COVID-19 Forbearance, regardless of the delinquency status of the Mortgage.

COVID-19 Home Retention Options



COVID-19 Home Retention Options Overview

- **Owner-Occupant Borrowers** who were current or less than 30 Days past due as of March 1, 2020 must be reviewed for the following COVID-19 Home Retention Options:
 - COVID-19 Standalone Partial Claim,
 - COVID-19 Owner-Occupant Loan Modification,
 - COVID-19 Combination Partial Claim and Loan Modification, and
 - COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim Reduced Documentation Option.
- **Non-Occupant Borrowers** who were current or less than 30 Days past due as of March 1, 2020 must be reviewed for the COVID-19 Non-Occupant Loan Modification.



Eligibility for COVID-19 Non-Occupant Loan Modification

The Mortgagee must ensure the following eligibility requirements are met for a COVID-19 Non-Occupant Loan Modification:

- The Mortgage was current or less than 30 Days past due as of March 1, 2020.
- The Borrower indicates they have the ability to make the modified Mortgage Payments; and
- The Property is not owner-occupied.
 - The Property can be used as a Rental Property, Secondary Residence, or Vacation Home for the Borrower.

Required Documentation for the COVID-19 Non-Occupant Loan Modification

The Mortgagee must document the following in the Claim Review File for the COVID-19 Non-Occupant Loan Modification:

- A copy of the rental agreement for each rental unit, if applicable; and
- A written statement from the Borrower stating:
 - They are the landlord of the Property and their renter is impacted, directly or indirectly, by the COVID-19 pandemic and is either unable to make rent payments or has vacated the Property; or
 - The Property is used as a Secondary Residence or a Vacation Home for the Borrower.

Required Financial Evaluation for other Loss Mitigation Home Retention Options

- The Mortgagee must evaluate any Borrower who is not eligible for a COVID-19 Home Retention or Disposition Option, because the Mortgage was not current or less than 30 Days past due as of March 1, 2020, for HUD's standard Loss Mitigation Home Retention Options (III.A.2.k) and Home Disposition Options (III.A.2.l).

Resources



Online Loss Mitigation Resources

- [HUD COVID-19 Resources and Fact Sheets](#)
- [4000.1 Single Family Housing Handbook](#)
- [Single Family Handbook Supplemental Documents](#)
- [HUD Approved Counseling Agencies](#)
- [Extension and Variance Automated Requests System \(EVARS\)](#)
- [FHA Info Announcements Archives](#)
- [Single Family Default Monitoring System \(SFDMS\) Reporting Codes](#)



FHA Resource Center

Option	Point of Contact	Hours Available	Comments
1 FHA Knowledge Base – FAQs	www.hud.gov/answers	24/7/365	Knowledge Base web page includes option to email questions.
2 Email	answers@hud.gov	24/7/365	
3 Telephone	1-800-CALL-FHA (1-800-225-5342) Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.	8:00 AM to 8:00 PM Eastern M-F	Voicemail is available after hours or during extended wait periods.

FHA INFO emails: Frequent email notifications of new policies and training opportunities for anyone who signs up. Subscribe at: https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/FHA_INFO_subscribe



NSC Contact Information

U.S. Department of HUD
FHA National Servicing Center
301 NW 6th Street
Oklahoma City, OK 73102
1-877-622-8525

QUESTIONS:

- Secretary Held Servicing Contractor: (877) 622-8525
- Home Equity Conversion Mortgage (HECM) Servicing: hecm.servicing@novadconsulting.com
- EVARS (general questions only): extensionrequests@hud.gov
- Training issues: eclass@hud.gov
- TRS, Data, SFDMS Reporting: sfdatarequests@hud.gov
- Single Family FHA - Claims Processing: [Claims Help Desk](mailto:FHA_SFClaims@hud.gov) (FHA_SFClaims@hud.gov)

