Mortgage Moratorium & Forbearance Options under the CARES (Coronavirus Aid, Relief, and Economic Security) Act - Effective 3/27/20

Under the CARES Act, homeowners are entitled to certain foreclosure prevention protection until the foreclosure moratorium or mortgage forbearance expires. The original dates for the GSEs or government-entities below have been extended several times*. To ensure that your client is reviewed for any possible options available, check for updates.

CHECK THE BELOW BOXES FOR THE INVESTOR AND POSSIBLE OPTIONS FOR HOME RETENTION.

Fannie Mae & Freddie Mac

- Fannie Mae: **LOAN LOOKUP**: [https://www.knowyouroptions.com/loanlookup](https://www.knowyouroptions.com/loanlookup)
- Freddie Mac: **LOOKUP**: [https://ww3.freddiemac.com/loanlookup/](https://ww3.freddiemac.com/loanlookup/)
  - Forbearance - Up to six months. Additional six months of forbearance if homeowner requests. No proof of hardship required.
  - Declined? Does the reason(s) fall in line with the CARES Act?
  - Approved? Are the principal and interest payments lower than the contractual principle & interest payments?
  - Are the post-forbearance options one of the following?
    - Full reinstatement
    - Pay off loan
    - Repayment plan
    - Payment Deferral - Starting July 1, 2020, delinquent payments put to the end of the loan
    - Extended modification
    - Cap and extend modification
    - Flex Modification

- USDA RD
  - Moratorium assistance up to 180 days (directly or indirectly) due to COVID-19.
  - Lenders may approve the initial 180 day COVID-19 Forbearance no later than October 30, 2020.

- FHA
  - Forbearance - Up to six months. Additional six months of forbearance if homeowner requests.
  - COVID-19 Standalone Partial Claim - An interest-free subordinate mortgage repayable after the first mortgage is paid in full.

- Veterans’ Administration (VA)
  - Moratorium on foreclosure and eviction until 10/1/2021 (as of January 2021)
  - Forbearance - Initial period of a forbearance = 180 days. Additional 180 days if needed.
  - Repayment Plan - Homeowner must bring the mortgage current or apply for a loan modification. Servicer **cannot** move the payments to the end of the loan.
  - Loan Modification - The mortgage cannot exceed 480 months from the **origination** date.
  - Payment Deferred or Balloon Payment - Missed payments can be deferred or become due at the end of the loan with the last payment.

- Home Equity Conversion Mortgage (HECM)
  - Borrower must request the mortgagor delay calling a loan due and payable
    - Extension period – up to six months. If needed, additional six months
    - Loan already due and payable? – With HUD approval, mortgagor may take an automatic extension for up to six months.

As of 2/16/2021, forbearances are extended until 6/30/2021*