

## **Homeowners Affected by COVID-19**

### **Frequently Asked Questions**

**Q. My family has been affected by COVID-19. Can we stop making mortgage payments?**

A. No, don't just stop making payments! You should contact your lender or mortgage servicer ASAP to find out what your options are.

- Best to contact your lender on line to avoid long waiting time on the phone and have a written record of your request.
- Check your monthly mortgage statement for how to contact your lender or mortgage servicer.

**Q. Are lenders required to offer homeowners affected by the crisis relief?**

A. Yes, if you or your family suffered a hardship as a result of COVID-19, the lender must offer you a forbearance.

**Q. What is a forbearance?**

A. Forbearance allows **suspension or reduction of your mortgage payments** for a certain period of time.

- Forbearance is **not forgiveness** of your mortgage payments and the lender will recoup the suspended payments.
- During the forbearance period, the lender cannot charge late fees and send negative reports to credit reporting agencies.
- If affordable, continue your mortgage payments,

**Q. How many months does a forbearance last?**

A. This depends on the type of mortgage loan you have.

- For **federally backed mortgage loans**, the federal CARES Act requires the lender to offer you up to six (6) months forbearance, renewable for another six (6) months, for a total of twelve (12) months.

**Q. How do I find out whether my mortgage loan is federally-backed?**

A. Federally-backed mortgage loans include mortgages insured by either the Federal Housing Administration (FHA) or the Department of Veterans Affairs (VA), or loans backed by Fannie Mae and/or Freddie Mac. You can check whether you have a Fannie Mae or Freddie Mac loan on the following websites with your name, address and last 4 digits of your Social Security number:

**Freddie Mac:** 1(800) 373-3343 <https://www3.freddie.mac.com/loanlookup>

**Fannie Mae loans:** 1(800) 232-6643  
<https://knowyouroptions.com/loanlookup#>

**Q. What relief am I eligible for if my mortgage is not federally-backed?**

A. New York State Department of Financial Services (DFS) issued emergency regulations which require lenders to grant a forbearance for up to 90 days and process such requests within ten days of receiving the request.

**Q. How do I apply for the forbearance?**

A. For **federally-backed mortgages**, you need only affirm that your hardship was caused by COVID-19, including, but not limited to loss of income/employment of any family members, inability to go to work for COVID-19 related reasons and other COVID-19 related hardship.

- No written application or supporting documentation is required.
- Even if you were behind on your mortgage payments (“delinquent”) you are eligible for forbearance.

For **state-regulated mortgage loans**, you should ask the lender or mortgage servicer what, if any, documentation is required.

**Q. What happens at the end of the forbearance period?**

A. Again, this depends on whether your mortgage is federally-backed or state – regulated.

**Q. What options are available for Fannie Mae or Freddie Mac mortgages?**

A. Starting July 1, 2020, the servicers of Fannie Mae or Freddie Mac loans must contact you 30 days prior to the end of the forbearance period to discuss your

options:

- **Deferred repayment option:** If you were current or no more than 31 days behind with your mortgage payments as of March 1, 2020 **and** are able to resume your regular mortgage payments, you are eligible to have the suspended payments deferred as a non-interest bearing balance due at maturity of your mortgage loan or earlier payoff.
- **Other loss mitigation:** If you are not eligible for the deferred repayment option, the servicer must consider you for other loss mitigation options such as a Flex modification,

**Q. What are my options if I have an FHA mortgage?**

A. If you are able to resume your payments and were current or no more than 30 days behind as of March 1, 2020, you may be eligible for the COVID-19 National Emergency Standalone Partial Claim.

- FHA will defer the amount due as a non-interest bearing mortgage payable when your FHA mortgage matures, you refinance or sell the property.
- If you are not eligible for a partial claim, the servicer must evaluate you for an FHA- HAMP loan modification.

**Q. My mortgage is not federally backed, what are my options after the forbearance ends?**

A. Post-forbearance options may vary depending on the lender or mortgage servicer.

- Options may include repayment of the suspended payments as a lump sum, recouping the amount through a payment plan or, as the more affordable options, extending the loan term.
- When applying for a forbearance, make sure to ask how the lender will recoup the suspended payments and request the approach that is most affordable for you.

**Q. I am behind with my mortgage payments. Can the lender foreclose on my home?**

A. Until further notice, New York courts will not accept any new foreclosure cases. In addition, Governor Cuomo has extended the moratorium on starting or enforcing foreclosure until August 20, 2020 for homeowners affected by COVID-

19 and/or receiving unemployment benefits.

**BEWARE OF SCAMS!!!**

**Unfortunately, there are many scammers who will try to take advantage of this crisis and exploit people's fears.**

- **Remember only your lender can grant a forbearance or other relief.**
- **Do not pay to get mortgage relief.**
- **Free counselling and legal services are available.**

If you suspect a scam, you may file a complaint with the NYS Attorney General by calling (212) 416-8300.

For further information, please give us a call and leave your name and telephone number along with a brief message.

**Queens: (718) 298-8979 Bronx: (646) 340-1908; [www.legalaidnyc.org](http://www.legalaidnyc.org)**