



STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA



COVID-19 Borrower Relief Options

Office of Financial Institutions

April 20, 2020

In response to Governor Edwards' Proclamation No. 25 JBE 2020 dated March 11, 2020, and Proclamation No. 27 JBE 2020 dated March 13, 2020 declaring a Public Health Emergency, the Office of Financial Institutions (OFI) issued several emergency declarations. In addition, on March 22, 2020 Governor Edwards issued a statewide Stay-At-Home order which became effective at 5 p.m. Monday, March 23rd. This Order has been extended until April 30, 2020. OFI has received a number of inquiries from the public regarding the Stay-At-Home order and felt it necessary to provide borrowers with information regarding various relief assistance options.

Borrower Relief Options for Homeowners

Effective March 27, 2020 the "Coronavirus Aid, Relief, and Economic Security Act" or commonly referred to as the "CARES Act" became law and provides various relief options to the public during this crisis. Specifically, the CARES Act includes provisions related to mortgage payments, consumers right to request forbearance, and credit protections for borrowers with federally backed mortgages by government-sponsored enterprises, such as Fannie Mae, FHA, VA, etc. The term "Federally backed mortgage loan" includes any loan which is secured by a first or subordinate lien on a residential real property designed principally for 1 to 4 families.

For more information regarding relief options, we encourage borrowers to review the [CFPB's Guide to Coronavirus Mortgage Relief Options](#) and the CFPB's YouTube video on the [CARES Act Mortgage Forbearance: What You Need to Know](#).

Fannie Mae, FHA, Freddie Mac and VA Borrower Assistance Information

The following includes specific information from each government-sponsored enterprise's website regarding borrower options available for homeowners impacted by this crisis:

- **Fannie Mae Mortgage Loan Information¹**

If coronavirus has caused job loss, income reduction, sickness, or other issues, mortgage relief options are available for homeowners from Fannie Mae.

- Homeowners impacted by this national emergency are eligible for a mortgage forbearance plan to reduce or suspend their mortgage payments for up to 12 months
- Homeowners in a mortgage forbearance plan will not incur late fees
- Credit bureau reporting of past due payments of borrowers in a mortgage forbearance plan as a result of hardships attributable to this national emergency will be suspended
- After forbearance, a servicer must work with the borrower on a permanent workout option to help maintain or reduce monthly payment amounts as necessary, including a loan modification
- Foreclosure sales and evictions of borrowers are suspended for 60 days

Homeowners may request mortgage assistance by contacting their mortgage servicer (that's the company listed on your monthly statement) -- or, homeowners with a Fannie Mae-owned mortgage loan may work with Fannie Mae's Disaster Response Network as outlined below.

Use of Fannie Mae's Disaster Response Network²

Fannie Mae's Disaster Response Network (DRN) is operational and can be used by those financially impacted by COVID-19. The DRN has trained financial counselors who will work with borrowers to create a personalized action plan, offer financial coaching and budgeting, and support ongoing success for up to 18 months. Borrowers may contact Fannie Mae's Disaster Response Network at 1-877-542-9723.

Fannie Mae Loan Look-up Tool

Does Fannie Mae own your loan? Fannie Mae's [Loan Look-up Tool](#) assists borrowers with determining if Fannie Mae owns their loan.

- **Freddie Mac Mortgage Information³**

Homeowners with Freddie-Mac-owned mortgages who are directly or indirectly impacted by COVID-19 may be eligible for mortgage relief. Freddie Mac is providing the following relief options:

¹ [Fannie Mae Know Your Options Information](#)
[Fannie Mae Approach to COVID-19](#)
[Fannie Mae COVID Homeowner Assistance Options](#)

² [Fannie Mae Disaster Recovery Network](#)

³ [Freddie Mac COVID Response Information](#)

- Mortgage forbearance for up to 12 months
- Waiving of assessments of penalties and late fees
- Halting of foreclosure sales and evictions until at least May 17, 2020
- Offering Loan modification options that lower payments or keep payments the same after the forbearance period.

Freddie Mac Loan Look-up Tool

Does Freddie Mac own your loan? Freddie Mac's [Loan Look-up Tool](#) assists borrowers with determining if Freddie Mac owns their loan.

- **Federal Housing Authority (FHA) Mortgage Loan Information⁴**

If you can't pay your mortgage because of COVID-19, your lender may be able to help you. If you are at risk of losing your home because of this crisis, your lender may stop or delay initiation of foreclosure for 90 days. Lenders may also waive late fees for borrowers who may become delinquent on their loans as a result of this crisis.

If you have a conventional mortgage, you are strongly encouraged to contact your lender for further information, and to see if you are eligible for relief.

If you have an FHA-insured mortgage, HUD has instructed FHA lenders to use reasonable judgment in determining who is an "affected borrower." Lenders are required to reevaluate each delinquent loan until reinstatement or foreclosure and to identify the cause of default. Contact your lender to let them know about your situation. Some of the actions that your lender may take are:

- During the term of a moratorium, your loan may not be referred to foreclosure if you were affected by the crisis.
- Your lender will evaluate you for any available loss mitigation assistance to help you retain your home.
- Your lender may enter into a forbearance plan, or execute a loan modification or a partial claim, if these actions will help retain and pay for your home.
- If saving your home is not feasible, lenders have some flexibility in using the pre-foreclosure sales program or may offer to accept a deed-in-lieu of foreclosure.

If you are not satisfied after discussing possible relief actions with your lender, please call a HUD-approved counseling agency toll free at (800) 569-4287 or contact HUD's **National Servicing Center**

- **Department of Veteran Affairs (VA) Mortgage Loan Information**

On March 16, 2020, the Department of Veterans Affairs (VA) issued [Special Relief for those Potentially Impacted by COVID-19](#) guidance. This guidance includes information regarding borrower options, such as information regarding forbearance requests, late charge

⁴ [Disaster Relief for FHA Homeowners](#)

waivers and credit bureau reporting. The VA has also provided additional guidance to lenders: [Lender Guidance for Borrowers Affected by COVID-19](#).

Conventional Mortgage Loan Information

Conventional mortgage loans are loans not guaranteed or insured by the federal government. If a borrower has a conventional mortgage loan, the borrower may contact their mortgage lender or servicer to discuss options available. For more information regarding relief options, we encourage borrowers to review the [CFPB's Guide to Coronavirus Mortgage Relief Options](#).

If you have any issues or concerns regarding your mortgage lender or servicer, please contact OFI at 225-925-4660 or via email at complaints@ofi.la.gov.