

FORECLOSURE PREVENTION DURING THE COVID-19 EMERGENCY 4.28.2020

A new federal law, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, protects homeowners with federally backed mortgages by placing a moratorium on foreclosures and providing a right to forbearance for homeowners experiencing a financial hardship due to the COVID-19 emergency.

1. WHAT IS CONSIDERED A FEDERALLY BACKED MORTGAGE?

A federally backed mortgage loan is any mortgage backed by one of the following federal agencies:

- U.S. Department of Housing and Urban Development (HUD)
- U. S. Department of Agriculture (USDA Direct or USDA Guaranteed)
- Federal Housing Administration (FHA) (Includes reverse mortgages)
- U.S. Department of Veterans Affairs (VA)
- Fannie Mae
- Freddie Mac

2. HOW DO I FIND OUT IF MY MORTGAGE IS FEDERALLY BACKED?

You can call or write your mortgage servicer. The servicer has an obligation to provide you, to the best of its knowledge, the name, address, and telephone number of who backs your mortgage. If you do not know who your servicer is, check the Mortgage Electronic Registration Systems (MERS) website: <https://www.mers-servicerid.org>

Fannie Mae and Freddie Mac back a significant number of mortgages. You can use loan lookup tools provided by Fannie Mae or Freddie Mac to find out if either of those two government-backed providers own or back your mortgage:

- Fannie Mae: <https://www.knowyouroptions.com/loanlookup>
- Freddie Mac: <https://ww3.freddiemac.com/loanlookup/>



3. CAN A SERVICER OF A FEDERALLY BACKED MORTGAGE LOAN FORECLOSE ON A PROPERTY RIGHT NOW?

No. Except properties that are vacant or have been abandoned, a servicer of a federally backed mortgage loan may not initiate any judicial or non-judicial foreclosure process, move for a foreclosure judgment or order of sale, or execute a foreclosure-related eviction or foreclosure sale for not less than the 60-day period beginning on March 18, 2020.

4. IF I HAVE A FEDERALLY BACKED MORTGAGE LOAN, CAN I REQUEST ADDITIONAL TIME TO MAKE PAYMENTS?

Yes, a borrower may receive forbearance if they are experiencing a financial hardship due, directly or indirectly, to the COVID-19 emergency regardless of whether or not the borrower is delinquent on payments. The borrower must contact the mortgage servicer to submit a request and affirm that the borrower is experiencing a financial hardship due to the COVID-19 emergency for a forbearance for up to 180 days that must be extended for an additional period up to 180 days if the borrower makes an additional request.

5. WHAT IF MY MORTGAGE LOAN IS NOT FEDERALLY BACKED?

If you are unable to pay due to the Covid-19 emergency, call your mortgage servicer to find out what options are available to you. In California, certain financial institutions have agreed to refrain from starting any foreclosure sales and evictions and to provide mortgage-payment forbearances of up to 90 days (with the opportunity for extensions) for borrowers experiencing financial hardship due to the COVID-19 emergency. For information, visit <https://covid19.ca.gov/get-financial-help/>

Furthermore, the California Judicial Council has approved temporary emergency rules regarding “judicial foreclosures,” or foreclosure proceedings filed with the court. The rule prohibits a court from taking any action on a judicial foreclosure unless necessary for public health or safety, postpones legal deadlines, and extends the period for exercising legal rights. Note, this rule does not impact the vast majority of foreclosures in California, which are “non-judicial foreclosures” conducted outside the courthouse.

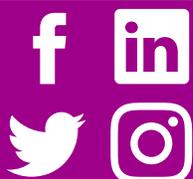
6. I'M A TENANT, HOW DO I KNOW IF I LIVE IN A FEDERALLY BACKED MORTGAGE PROPERTY?

In April 2020, NLIHC started a searchable database and map of multifamily properties covered under the federal moratoriums to help renters know if they are protected from an eviction. <https://nlihc.org/eviction-and-foreclosure-moratoriums>



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