

COVID-19 OIG BULLETIN FOR HOMEOWNERS



★★ OFFICE of ★★
INSPECTOR GENERAL

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

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In response to the pandemic caused by the coronavirus disease of 2019 (COVID-19), Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which requires FHA mortgage servicers to offer mortgage forbearance as an option to homeowners who are facing financial hardship due to COVID-19. HUD OIG reviewed the information that the top 30 FHA mortgage servicers are providing to borrowers on their websites. These entities service over 90% of FHA-insured mortgages. We found the information on several websites regarding forbearance options under the CARES Act was incomplete, inconsistent, dated, and unclear. HUD OIG has provided a memo to the Office of Single Family Housing outlining our findings. A copy of that memo is provided here: <https://www.hudoig.gov/sites/default/files/2020-04/Single%20Family%20Mortgage%20Forbearance%20Brief.pdf>

The following table outlines guidance that FHA has provided for borrowers and servicers to implement the forbearance provisions of the CARES Act:

| Borrower Requirements | Servicer Requirements |
|---|--|
| Must have suffered financial hardship, directly or indirectly, due to COVID-19 | Offer borrowers up to 180 days of mortgage forbearance with an option for an additional 180 days at the request of the borrower |
| Proactively contact your mortgage servicer to request mortgage forbearance - you need only attest that you are suffering a COVID-19 related hardship; no further documentation is required | During the forbearance period do not charge additional fees, penalties, or interest and do not report borrowers as delinquent to credit rating agencies. |
| At the end of the initial forbearance period, either resume making your mortgage payments or request an additional period of forbearance | For 60 days from March 18, 2020, cease all foreclosure actions and do not initiate foreclosure actions against borrowers in default |
| Borrowers must work with their servicer to negotiate repayment of missed payments prior to the end of the forbearance period, but are not required to pay a lump sum at the end of the forbearance period | At the end of the forbearance period, evaluate the borrower for a COVID-19 Standalone Partial Claim and other FHA loss mitigation options |

➔ Additional Information for Borrowers:
<https://www.hud.gov/sites/dfiles/SFH/documents/COVID-19HomeownerHelp.pdf>

➔ Additional Information for Servicers:
https://www.hud.gov/sites/dfiles/SFH/documents/SFH_COVID_19_QA.pdf

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