Federal and states government have announced measures to assist millions of Americans facing an inability to make their monthly mortgage payments due to the COVID-19 emergency.

**You should pay your mortgage if you can afford it.**

If you cannot make a mortgage payment, relief may be available.

**Under federal law, a servicer cannot start the foreclosure process unless your loan is more than 120 days past due.**

But, not all mortgage loans qualify for the same payment relief.

The federal government’s [CARES Act](https://www.consumeraffairs.gov/federal acts/careca.html) provides temporary relief for borrowers with “federally-backed mortgage loans,” which are loans that are owned or backed by an agency on this list:

- **Federal Housing Administration (FHA)** (includes reverse mortgages and loans under the Indian Home Loan Guarantee program)
- **U. S. Department of Agriculture (USDA)**
- **U.S. Department of Veterans Affairs (VA)**
- **Fannie Mae & Freddie Mac**

**How to find out if you have a “federally backed loan”**

- A list of federal loan agencies, their policies, and contact information can be found [here](https://www.consumerfinance.gov/mortgage/).
- Go to [www.knowyouroptions.com/loanlookup](https://www.knowyouroptions.com/loanlookup) to see if you have a Fannie Mae loan.
- Go to [https://www3.freddiemac.com/corporate](https://www3.freddiemac.com/corporate) to see if you have a Freddie Mac loan.
- For FHA loans, it may indicate on your mortgage statement that part of your payment goes to FHA insurance. Or, check the first page of your closing documents from when you bought the house (HUD-1 statement or Closing Disclosure) for the loan type.
- If you cannot get through to your loan servicer on the phone, write a letter asking for the identity of any entity that owns, insures, or guarantees your loan. A sample letter is available [here](https://www.consumerfinance.gov/mortgage/). Your servicer must respond within 10 business days.

**If your loan is “federally backed”**

- Your loan servicer cannot foreclose on you until at least May 17, 2020, and
- If you experience financial hardship due to the coronavirus emergency, you can request a **forbearance** (see page 2) of your payment for **up to** 180 days from your servicer with a possible additional 180 days upon request.

**If your loan is not “federally backed”**

- You still may have relief options through your loan servicer: call, or to avoid long wait times by phone:
  - Check the servicer’s website for contact them through an online portal, email option, or a mobile app.
  - Write a [letter](https://www.consumerfinance.gov/mortgage/) requesting information about your “loss mitigation” foreclosure prevention options. It could take up to 30 business days for a response.
What Is a Forbearance Agreement?

A **forbearance agreement** is one type of short-term relief being offered by many loan servicers. Your loan servicer is the company that sends your mortgage statements and handles the day-to-day tasks for managing your loan.

- The loan servicer agrees to reduce or suspend your payments for a set amount of time.
  - Under the CARES Act, it can be **up to** 180 days with a possible additional 180 days upon request.
  - Other programs allow more or less time.
  - HUD and FHA are allowing **up to** 1 year.
- This provides a **temporary** break from making your full monthly payments.
- The payments are **not waived or forgiven; you will have to pay them back.**
- If you do not have an escrow account and you make your payments directly for taxes, insurance, or condo fees, the forbearance agreement will not apply to these payments. You should continue to pay these if you can or try to make payment arrangements.

What Happens at the End of a Forbearance Agreement?

- Your servicer may require you to do one of these actions or something different:
  - **Pay the full amount in a lump sum at the end of the forbearance period;**
  - Add an extra amount to your monthly payments until the amount is repaid;
  - Add the suspended payments to the end of the loan;
  - Apply for a [loan modification](#) where the servicer might add the unpaid amount to the loan balance, increase the length of your loan, or lower the interest rate.

- When you first talk to your servicer about a forbearance agreement, make sure to ask:
  - What repayment options are available at the end of the forbearance period for both your principal and interest payments **and** escrow payments (real estate taxes and insurance); and
  - Whether late fees and interest will accrue during the forbearance period. If your forbearance is under the CARES Act, fees, and additional interest cannot accrue.

- To get answers on repayment options, immediately after requesting a forbearance agreement, send your servicer a **written** Request for Information asking for a description of all options available for the end of the forbearance period and the procedures for obtaining such options (keep a copy for your records).
  - This could be part of the same letter recommended on page 1 regarding available loss mitigation options.
  - You can see a sample letter with instructions [here](#) for asking what repayment options are available at the end of the forbearance period.
  - Your servicer must reply within 30 business days.

Visit NCLC’s [COVID-19 & Consumer Protections](#) for more online resources.