

COVID-19 Crisis: Advocates Urge FHFA to Help Ensure Fair Treatment for All Borrowers, Especially Limited English Proficient Borrowers

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Americans for Financial Reform Contacts: Linda Jun (linda@ourfinancialsecurity.org) or Carter Dougherty (carter@ourfinancialsecurity.org)

National Consumer Law Center Contacts: Sarah Mancini (smancini@nclc.org) or Jan Kruse (jkruse@nclc.org)

National Fair Housing Alliance Contacts: Debby Goldberg (dgoldberg@nationalfairhousing.org) or Izzy Woodruff (iwoodruff@nationalfairhousing.org)

Washington, D.C. - The National Consumer Law Center, Americans for Financial Reform Education Fund, the National Fair Housing Alliance and 33 other consumer, civil rights, and housing counseling groups sent a letter today calling on the Federal Housing Finance Authority (FHFA) to step up its efforts to translate key mortgage notices needed by borrowers hit hard by the COVID-19 pandemic.

“Unless FHFA translates its forbearance applications into languages other than English, many who need it most - but are not proficient in English - will not get the help they need,” **said Sarah Mancini, an attorney with the National Consumer Law Center.** “Limited English proficient (LEP) borrowers will face foreclosure at higher rates if they are not able to obtain information about home-saving options in their preferred language.”

Fannie Mae and Freddie Mac have directed the servicers of their mortgage loans to offer borrowers suffering from the health or financial impacts of the virus forbearances of up to 180 days, which can be extended for up to another 180 days. However, this crucial relief is not automatic; borrowers must contact their servicers to request this help. Borrowers must be aware of the relief available and the steps they must take to receive it.

“Immigrant communities and families of color are already being severely hurt by the virus and facing challenges in understanding their options,” **said Linda Jun, senior policy counsel with Americans for Financial Reform Education Fund.** “FHFA must act now to ensure that LEP borrowers can access much-needed mortgage relief.”

In the letter, the groups urge FHFA to take the following actions:

- Create a model notice to be sent by servicers and translate it into the top 5 languages spoken by LEP individuals in the United States, explaining forbearance options and letting borrowers know how they may be able to access in-language assistance through a housing counselor;
- Translate consumer outreach materials and model solicitation letters and evaluation notices that can be used by servicers;
- Coordinate outreach to LEP communities among government agencies and housing counseling agencies; and
- Ensure that the process of obtaining a Covid-19 forbearance is streamlined and accessible to

all borrowers.

“We are already seeing big disparities in the way this virus is affecting different communities, and we must ensure fair and equitable treatment for everyone who needs help to save their homes,” **said Debby Goldberg, vice president for housing policy at the National Fair Housing Alliance.** “During the last mortgage crisis, borrowers who are not proficient in English were overlooked and many who were eligible for relief lost their homes because they didn’t know what options were available and how to access them. In this – perhaps even bigger – crisis, there is an urgent need to make sure servicers can provide borrowers critical information in-language so they have accurate, consistent and timely information about their mortgages.”

Related Links

NCLC’s Covid-19 & Consumer Protections, including a list of all effective foreclosure moratoriums

AFR Issue Brief: Fair Treatment of Homeowners with Limited English Proficiency (May 26, 2016)

Consumer Action: Spanish Language Coronavirus Resources (March 23, 2020)