

“CARES Act”

Temporary Mortgage Help due to COVID-19

As a result of the COVID 19 pandemic, the federal government enacted a new law, called the "Cares Act", which provides temporary mortgage relief for those affected.

Forbearance

What is forbearance? A temporary suspension of monthly mortgage payments.

- If you have a federally backed mortgage loan and are experiencing hard times financially because of COVID-19, you may request a “forbearance” on your mortgage payments, beginning March 27, 2020, through December 31, 2020, or up to the date that the National Emergency is declared to be over, whichever happens first.
- This law applies only to **federally backed mortgages, including the following:**
 - Single family FHA insured loans, including Home Equity Conversion Mortgages (HECM's)
 - Indian Home and Native Hawaiian Guaranteed Loans
 - USDA Guaranteed or Insured Loans
 - USDA Direct Loans
 - VA Loans
 - Loans purchased or securitized by Fannie Mae or Freddie Mac

Here’s What You Can Do

1. **Determine if the Cares Act applies to your mortgage.**

First determine whether your mortgage is a federally backed mortgage loan.

Here is how you can find out!

- Review the deed of trust, promissory note and other mortgage documents. If it’s a federally backed mortgage loan, it will often say what type of loan it is in these documents.
- Contact your Mortgage Servicer or HUD’s National Servicing Center at 877-622-8525 to determine if your mortgage is an FHA mortgage.
- Use the Freddie Mac and Fannie Mae websites to confirm whether the loan is owned by either.
 - For Freddie Mac’s website, [click here](#)
 - For Fannie Mae's website, [click here](#).

Attention! Fannie Mae and Freddie Mac borrowers!

You can also call your mortgage servicer to request assistance. If you aren’t able to obtain the help you need, call Fannie Mae, 1-877-542-9723 or Freddie Mac, 1-800-373-3343.

2. Request a forbearance.

- You should call your lender and/or review the mortgage lender's website to determine the mortgage lender's forbearance application process.
 - a. To request a forbearance, you must send the mortgage lender a letter, letting them know that you've experienced a financial hardship due to COVID-19.
 - b. The letter should include the following:
 - Your name, address and mortgage account number.
 - That you have experienced a financial hardship as a result of the COVID-9 pandemic (Your mortgage lender should not require documentation of the hardship.)
 - That you are requesting a 180-day mortgage payment forbearance, or until December 31, 2020.
 - The letter should be signed and dated by all mortgage borrowers listed on the mortgage.
 - The letter should be submitted to the mortgage lender in the manner specified in the mortgage lender's forbearance application process.
- Once the letter is sent to the mortgage lender, the mortgage lender must acknowledge receipt of your letter within 5 business days.
- If you want to find out the identity and address of the investor (owner of the loan), the mortgage servicer must provide this information in writing within 10 business days of receipt of your written request.
 - Remember, the initial forbearance period can be up to 180 days.
 - Prior to the end of the initial forbearance, you can request an extension of the forbearance for an additional 180 days.

Additional Information

- You can request a forbearance even if you were behind in your mortgage payments prior to March 27, 2020.
- If you are granted a forbearance, your mortgage lender cannot assess (charge) you with any fees, penalties or interest during the forbearance period.
- During the time of the forbearance, the mortgage lender cannot claim a default of the mortgage due to non-payment of the suspended mortgage payments.
- During the time of the forbearance, the mortgage lender cannot make any negative reports about your credit to any credit bureau based on non-payment of the suspended payments.
- Remember! If you are granted a forbearance and at the end of the forbearance, the borrower can still not make payments, you can make another written request for an extension of the forbearance for another 180 days.
 - **Important!** The request for an extension of forbearance must be made before the expiration of the initial forbearance.
- If your financial hardship ends prior to the end of your forbearance and you are once again able to make your mortgage payments, you should start making your mortgage payments.
- At the end of the forbearance, your mortgage lender may request that the borrower pay the full amount of the suspended payment in a lump-sum, or offer a payment plan for the suspended payments; or may place the suspended payments at the end of the mortgage

and extend the mortgage maturity date (the length of time you have to pay off your property).

Suspension of Foreclosures for Federally backed Mortgages

- The Cares Act also provides temporary relief from foreclosures for federally backed mortgages.
- Under the Cares Act, a mortgage servicer of a federally backed mortgage loan may not do the following:
 - initiate any judicial or nonjudicial foreclosure process,
 - move for a foreclosure judgment,
 - order a sale of the property, or
 - execute a foreclosure-related eviction or foreclosure sale.
- This provision lasts for not less than 60 days beginning on March 18, 2020.
- This provision is not limited to borrowers with a COVID-19 related hardship.

What if my Mortgage is not a Federally backed Mortgage?

If your mortgage is not a federally backed mortgage, the Cares Act does not apply to your mortgage.

However:

- If you are experiencing a financial hardship for any reason, you should contact your mortgage lender immediately and let them know.
- Your mortgage lender may be able to provide you with options which may help you to prevent a foreclosure and keep your home.
- You should contact a HUD-approved housing counselor to determine what type of loss mitigation options you may be eligible for and to assist you in completing a loss mitigation application. Their services are free. You can find a list of HUD approved housing counselors in Colorado, [click here](#).
- You can also call the Colorado Foreclosure Hotline at their toll-free number 877-601-4673 and ask for a referral to a local housing counselor.

To see if you are eligible for help from Colorado Legal Services in getting a forbearance, or preventing a foreclosure:

- Call 303-837-1313, Colorado Legal Services (Denver office),
- Go to applyonlinecls.org and complete an online application to CLS, or
- Go to the CLS offices listing ([click here](#)) and call the CLS office closest to you