

FHFA, FHA remind servicers of mortgage relief options as coronavirus spreads

As coronavirus is spreading, Freddie Mac and Fannie Mae are taking action

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Federal Housing Finance Agency Director Mark Calabria is reminding servicers and borrowers that hardship forbearance is an option for those who are unable to make their monthly mortgage payments due to coronavirus.

“To meet the needs of borrowers who may be impacted by the coronavirus, last week **Fannie Mae** and **Freddie Mac** (“the Enterprises”) reminded mortgage servicers that hardship forbearance is an option for borrowers who are unable to make their monthly mortgage payment,” Calabria said in a statement.

“For borrowers that may be experiencing a hardship, I encourage you to reach out to your servicer. The Enterprises and the Federal Home Loan Banks continue to provide support to the secondary mortgage market, and the UMBS market continues to operate at its normal level.”

As COVID-19 continues to spread, the **Federal Housing Administration** is also taking steps to aid borrowers who are struggling to make mortgage payments due to the novel virus.

“As with any other event that negatively impacts a borrower’s ability to pay their monthly mortgage payment, FHA’s suite of loss mitigation options provides solutions that mortgagees should offer to distressed borrowers – including those that could be impacted by the Coronavirus – to help prevent them from going into foreclosure. These home retention options are located in FHA’s Single Family Housing Policy Handbook 4000.1 Section III.A.2,” FHA said in a statement.

Fannie Mae sent out an email on March 5, also reminding borrowers about forbearance opportunities if they are impacted by COVID-19.

“We are actively monitoring reports about the possible spread of the coronavirus (i.e., COVID-19) in the United States, and understand that you may have concerns about its potential impact on borrowers and your

business. We want to remind servicers that you can offer forbearance in accordance with our existing policies to assist borrowers who are unable to make their monthly mortgage loan payment as a result of a temporary hardship (for example, if a borrower is quarantined and unable to work),” the email said.

“The servicer should evaluate the borrower for a forbearance plan or other workout assistance in accordance with our existing requirements. We also want to remind servicers that they must have a business continuity plan in place to support their ongoing ability to conduct business operations in the event of an interruption to business operations and processes. The specific requirements regarding a business continuity plan can be found in Selling Guide A4-1-01, Maintaining Seller/Servicer Eligibility. Fannie Mae is working with and following the Centers for Disease Control and Prevention (CDC), the World Health Organization (WHO), and local health agency guidance, while adhering to our corporate internal business continuity plans to ensure our ability to continue operations and fulfill our mission,” the email continued.