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Information for Homeowners on Mortgage Relief Options

Many homeowners have been financially impacted by the COVID-19 pandemic. On March 27, 2020, Congress passed the [Coronavirus Aid, Relief, Economic Security \(CARES\) Act](#), which provides help to struggling homeowners who have a federally backed mortgage during this time. Additionally, on April 23, 2020, Governor Whitmer and DIFS announced the [MiMortgage Relief Partnership](#) with numerous state and federal banks and credit unions and non-depository mortgage servicers that have agreed to provide mortgage relief to homeowners experiencing financial hardship due to COVID-19. The information below is provided to assist homeowners in determining what mortgage relief options may be available.

Relief Available Under the Federal CARES ACT

The CARES Act established two protections for homeowners with federally backed mortgages:

1. A temporary foreclosure moratorium prohibiting a servicer of a federally backed mortgage loan from initiating or moving forward with any foreclosure.
2. A right to forbearance for homeowners who are experiencing a financial hardship due to the COVID-19 Emergency.

What should a homeowner do first?

First, determine who currently services your mortgage and how to contact them. You can typically find this information on your mortgage statement.

Next, assess your situation. If you are able to pay your regularly scheduled mortgage payment, you should pay it. If you are unable to pay your regularly scheduled mortgage payment, or are only able to part of it, you should contact your mortgage servicer immediately.

If I am experiencing difficulty paying my mortgage, what should I do?

You should contact your mortgage servicer immediately. Homeowners should be aware that servicers are experiencing a high volume of calls during this time and may have online or other ways available for you to contact them to request relief.

When you contact our servicer, you should be able to:

- (1) Provide your account number.
- (2) Explain why you are unable to make your payments.
- (3) Explain whether the problem is temporary or permanent.
- (4) Provide details about your income, expenses and assets.
- (5) Explain whether you are a servicemember.

When you contact your mortgage servicer, you should inquire as to what mortgage relief options your servicer may have available for you. Questions you may ask include:

- (1) What options are available to help you temporarily reduce or suspend my payments?
- (2) Are there forbearance, loan modification, or other options available?

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- (3) Will you waive some or all of my late fees?
- (4) How will this affect the credit reporting on me?

The CARES Act relief options only apply to homeowners who have a mortgage that is federally backed. What is a federally backed mortgage loan?

Federally backed mortgages are defined as mortgages for single-family homes that are:

- Purchased or securitized by Fannie Mae or Freddie Mac;
- Insured by the Federal Housing Administration (FHA), including reverse mortgages or Home Equity Conversion Mortgages (HECMs);
- Guaranteed, directly provided by, or insured by the Department of Veterans Affairs (VA);
- Guaranteed, directly provided by, or insured by the Department of Agriculture (USDA).

How can I find out if my mortgage is federally backed?

Nearly half of the nation's mortgages are owned or backed by Fannie Mae or Freddie Mac.

If you do not know who owns or backs your mortgage, you can ask your servicer. Your servicer is obligated to provide you, to the best of their knowledge, with the name, address, and telephone number of who owns your loan.

You can also review the information found on the following links to determine whether your loan is owned or backed by Fannie Mae or Freddie Mac:

- [Fannie Mae](#)
- [Freddie Mac](#)

I have a federally backed mortgage loan, what relief is available to me under the CARES Act?

First, the CARES Act provides homeowners with federally backed mortgage loans with a foreclosure moratorium for at least 60 days starting on March 18, 2020. The moratorium suspends the continuation, or stops the initiation, of a foreclosure proceeding. This foreclosure moratorium is automatic and a homeowner with a federally backed mortgage loan should not need to do anything further to receive this relief.

Second, the CARES Act provides homeowners with federally backed mortgage loans with the right to request and receive a forbearance on their mortgage payments for up to 180 days, with the option to extend for an additional 180 days, as well as the option to discontinue the forbearance at any time. During the forbearance period, servicers are prohibited from charging fees or interest beyond what the homeowner would have had to pay if they were making their payments as scheduled.

A mortgage forbearance is not a forgiveness of debt, a homeowner will still owe the amount of the forbearance payments and a homeowner may need to work out a loan modification or repayment plan with their servicer at the end of their forbearance period to begin remaking payments, including all missed payments. If you are able to make a portion of your monthly mortgage payment during your forbearance period, you should consider doing so, especially for escrowed items.

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If my loan is not a federally backed mortgage loan, is there mortgage relief available for me?

Not under the CARES Act. However, several servicers in Michigan have agreed to provide mortgage relief to homeowners under the [MiMortgage Relief Partnership](#) announced by Governor Whitmer and DIFS on April 23, 2020. As of April 24, 2020, 228 state and national banks and credit unions and non-depository mortgage servicers have agreed to the partnership. The list of participants, which can be found [on the DIFS website](#), is being updated regularly as additional institutions agree to the partnership. If your mortgage is serviced by an institution that has joined the partnership, you should contact them and inquire about obtaining the relief offered. The institutions that have joined the partnership have agreed to assist homeowners experiencing a COVID-19 related financial hardship by:

- (1) Providing a 90-day mortgage-payment forbearance, allowing borrowers to reduce or delay their monthly mortgage payment. In addition, the financial institutions will:
 - Provide a streamlined process for requesting forbearance for COVID-19-related reasons, supported with available documentation;
 - Confirm approval of and terms of their forbearance program (which should include reasonable solutions for resuming payments at the end of the forbearance term); and
 - Where appropriate, provide the opportunity for borrowers to extend a forbearance agreement if they continue to experience hardship due to COVID-19.
- (2) Providing relief from mortgage-related late fees and charges for 90 days.
- (3) Providing foreclosure relief by not initiating any foreclosure sales or evictions for 60 days.
- (4) Refraining from furnishing adverse payment information to credit bureaus.
- (5) Working with homeowners on their specific needs or concerns.

Additionally, other mortgage servicers may also have relief options available for non-federally backed mortgage loans. Homeowners who are experiencing difficulty paying their mortgage and have a loan that is not federally backed should immediately contact their servicer and explain their situation and ask what relief options may be available.

If I am offered mortgage relief under the CARES Act or another program offered by my servicer, is there anything else I should do?

Yes. Once you are able to secure a forbearance or other relief option, ask your servicer to provide written documentation that confirms the details of your agreement and be sure you are clear on what all of the terms are. With some forbearance agreements, you may owe all of your missed payments at a specific later date, or additional payments at the end of the mortgage might be required, so make sure you are familiar with and understand the final terms.

Is there anything else that homeowners should be aware of?

Yes. Homeowners should be on the lookout for scams. Scammers often try to take advantage of vulnerable consumers during a financial crisis. Homeowners should be beware of any person who:

- Seeks to charge you a fee for accessing the foreclosure moratorium or forbearance assistance provided for by the CARES Act or other mortgage relief options available.
- Seeks to charge you an advance fee for assistance in modifying the terms of your mortgage loan.
- Promises to get you a mortgage loan modification.
- Asks you to sign over title to your property.
- Asks you sign documents that you haven't read or do not understand.
- Tells you to make your payments to someone other than your mortgage servicer.

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- Tells you to stop making your payments.
- Calls you and asks for your account numbers or personal information over the phone.

Additional information for consumers concerning scams are available at the following sources:

- The Consumer Financial Protection Bureau's [Fraud and Scams](#) webpage.
- The Consumer Financial Protection Bureau's [scams related to the Coronavirus](#) webpage.
- The Federal Trade Commission's [Consumer Information](#) webpage.