

Status of CARES Act Foreclosure Moratorium for Federally Backed Single-Family Mortgages and Right to Request Forbearance

March 16, 2021

This Update supplements NFHA's Summaries dated [March 20, 2020](#), [April 3, 2020](#), [May 26, 2020](#), [June 30, 2020](#), and [September 15, 2020](#).

I. Extension of Foreclosure Moratorium for Federally Backed Mortgage Loans to June 30, 2021

In NFHA's [September 15, 2020 COVID-19 Update](#), we reported that the foreclosure and eviction moratorium for single-family (1-4 unit) properties with federally backed mortgages was extended to December 31, 2020. Subsequent announcements by FHA, USDA, VA, Fannie Mae, and Freddie Mac uniformly extended the moratorium to March 31, 2021. In February 2021, the moratorium was further extended to June 30, 2021. Except with respect to a vacant or abandoned property, a servicer of a federally backed mortgage loan may NOT:

- Initiate any judicial or non-judicial foreclosure process,
- Move for a foreclosure judgment or order of sale, or
- Execute a foreclosure-related eviction or foreclosure sale.

Press releases and the updated servicing guidelines extending the moratorium for federally backed loans to June 30, 2021 are provided below. These servicing guidelines also include the final date to request an initial COVID-19 related forbearance for FHA, USDA, and VA loans, and the availability of up to an additional six months of forbearance for certain borrowers, discussed in Section II.¹

[HUD Announces Extensions and Expansions of COVID-19 Homeowner Relief and Home Retention Measures 02.16.21](#)

[HUD ML 2021-05 Update to FHA's COVID-19 Loss Mitigation Policy²](#)

¹ The VA issued [VA Circular 26-21-04](#) regarding the additional six months of forbearance.

² HUD ML 2021-05 supersedes ML 2021-03.

[USDA Extends Eviction and Foreclosure Moratorium, and Offers Guidance on Mortgage Forbearance Deadline Guaranteed Loans \(govdelivery.com\)](#)

[USDA Extends Eviction and Foreclosure Moratorium, and Offers Guidance on Mortgage Forbearance Deadline Direct Loans \(govdelivery.com\)](#)

[VA Circular 26-21-05](#)

[FHFA Extends COVID-19 Forbearance Period and Foreclosure and REO Eviction Moratoriums | Federal Housing Finance Agency](#)

[Fannie Mae Lender Letter 2021-02 Updated 02.25.21](#)

[Freddie Mac Bulletin 2021-08 Issued 02.25.21³](#)

II. Deadline to Request Initial CARES Act Forbearance and Right to Request Forbearance for an Additional Six Months for Federally Backed Loans

The opportunity to extend the COVID-19 forbearance plans for an additional six months applies to borrowers who have reached the end of the 12 months of forbearance allowed by the CARES Act and whose COVID-19 related financial hardship has not been resolved. The term of the initial forbearance and any extension may be shortened at the borrower's request.

FHA LOANS

- Borrowers may be placed in a COVID-19 initial forbearance plan no later than June 30, 2021.
- Borrowers who requested their initial COVID-19 forbearance on or before June 30, 2020 may be granted up to two additional three-month payment forbearances after 12 months of COVID-19 forbearance.
- Borrowers must request each three-month extension individually.
- Neither of the two additional three-month forbearance periods may extend beyond December 31, 2021.
- No COVID-19 forbearance period may extend beyond June 30, 2022.

USDA DIRECT AND GUARANTEED LOANS

- Borrowers may be placed in a COVID-19 initial forbearance plan no later than June 30, 2021.

³ A Freddie Mac servicer may request a waiver of the moratorium if a foreclosure case is at risk of dismissal or other negative events due to the delay.

- Borrowers who received an initial COVID-19 forbearance before June 30, 2020 may be granted up to two additional three-month payment forbearances.
- Borrowers must request each three-month extension individually.

VA LOANS

- Borrowers may be placed in a COVID-19 initial forbearance plan no later than June 30, 2021.
- Borrowers who requested their initial COVID-19 forbearance on or before June 30, 2020 may be granted up to two additional three-month payment forbearances.
- Borrowers must request each three-month extension individually.
- Neither of the two additional three-month forbearance periods may extend beyond December 31, 2021.

FANNIE MAE AND FREDDIE MAC LOANS

- Fannie Mae and Freddie Mac have not announced a deadline to request an initial CARES Act forbearance.
- Borrowers who are in a COVID-19 forbearance plan as of February 28, 2021 and have reached a cumulative forbearance plan term of 12 months without having resolved their hardship
 - may be granted an extension of the forbearance plan term of up to three months,⁴ and
 - thereafter granted one or more forbearance plan term extensions of no more than three months each, provided the plan term does not exceed a total of 18 months of total delinquency or a cumulative term of 18 months, whichever is shorter.
- Borrowers must request each additional extension individually.

III. Covid-19 Resources for Federally Backed Mortgage Loans

[FHA Single Family Housing Upcoming Events and Training](#)

View on-demand webinar: FHA's COVID-19 Loss Mitigation Policy including all available COVID-19 loss mitigation options and the updates to FHA's COVID-19 loss mitigation policy announced in ML 2021-05.

[FHA COVID-19 FAQs Origination and Servicing](#)

[FHA COVID-19 Resources for Homeowners](#)

[USDA Rural Development COVID-19 Page](#)

⁴ On February 9, 2021, the [FHFA announced](#) the availability of the first three-month forbearance plan extension for borrowers in a COVID-19 forbearance plan as of February 28, 2021.

[VA Loans COVID-19 Related Information for Borrowers and Servicers](#)

[Fannie Mae Loan Look-Up](#)

[Fannie Mae Lender Letter 2021-07 Payment Deferral Updated 02.25.21](#)

[Fannie Mae Know Your Options – Information for Homeowners](#)

[Fannie Mae COVID-19 Servicing Resources⁵](#)

[Fannie Mae Payment Deferral Matrix](#) Updated re: 18 months

[Freddie Mac Loan Look Up](#)

[Freddie Mac COVID-19 Servicing Resources](#) See link for updated FAQs at top of page.

[Payment Deferral - Freddie Mac Single-Family](#) Updated re: 18 months

IV. Additional Resources for All Loans

Equifax, Experian, and TransUnion [announce](#) extension of free weekly credit reports at the official annual credit report [website](#) for an additional year until April 20, 2022.

[The National Housing Resource Center List of Servicer Contacts](#)

[National Consumer Law Center COVID-19 and Consumer Protections](#)

[CFPB COVID-19 Mortgage and Housing Assistance](#)

[CFPB Mortgage Servicing Rules Page – including CFPB Interim Rule on Loss Mitigation Options for Homeowners Recovering from Pandemic-Related Financial Hardships](#)

This Summary will be updated as new information is released.
Updates will be posted on [NFHA's COVID-19 webpage](#).

⁵ As of 03.11.21, this Fannie Mae page has not yet been updated to reflect up to 18 months of available forbearance for certain borrowers and that up to 18 months' payments can be included in the payment deferral option, per Feb. 25, 2021 Updated Fannie Mae Lender Letter 2021-02 and Lender Letter 2021-07 respectively.