

Forbearance?

Forbearance is when your mortgage servicer or lender allows you to temporarily pay your mortgage at a lower payment or pause paying your mortgage. Forbearance can help you deal with a hardship, such as Covid displacement/job loss if your home was damaged in a flood, you had an illness or injury that increased your healthcare costs, or you lost your job.

How to request a forbearance

Call your servicer and let them know your situation immediately. Ask them what “forbearance” or “hardship” options may be available. Some servicers will require that you request forbearance or other assistance within a certain amount of time after a disaster or other qualifying event.

Possible Forbearance Options to Guide You

Paused Payments Option: Your servicer allows you to stop making payments for a period (up to 18 months with Covid).

Payment Reduction Option: Your servicer allows you to reduce your monthly payment by half (or some other amount) for a period of time.

Whether the payment was paused or reduced, there is a subsequent decision which is when will the missed/reduced payments be paid?

Repayment Timing Options:

In Loan Repayment: You may be asked to repay the missed or reduced payments while your loan term doesn't change. This would mean a large one-time payment at the end of the forbearance period or additional payment amounts over some extended period, perhaps one year or more. Higher payments exist for a period, but do not substantially increase total interest paid.

You will have to pay the payment reduction or the paused payments back later. Forbearance does not erase any amount you owe on your mortgage. Interest will still be charged on the unpaid balance every month.

You'll want to pay close attention to how your servicer expects you to pay back any missed or reduced mortgage payments. There isn't a "one size fits all" because the options depend on many factors including: the type of loan (FHA/VA, Conventional, Fixed Rate, ARM, 15 year/30 year, etc), the owner of the loan FNMA, FHLMC, private entity, securitized mortgage conduit, etc) and the servicer.

Counseling and assistance may start with your servicer. Also, the Consumer Finance Protection Bureau (CFPB) has a tool to locate a HUD approved counselor. ["Find a Counselor"](#) or [HOPE™ Hotline](#) (888-995-4673) 24/7.

Back-End Repayment: The missed payments are added to the end of the mortgage by extending the term of your loan or you take out a separate loan. Extending your loan means your loan will take longer to repay and you will owe much more interest. A separate loan may require payments now or be delayed until the end of the first loan with or without interest accruing.

If you're a homeowner in a state included in the federal [Hardest Hit Fund](#) you may qualify for assistance. The Hardest Hit Fund programs vary by state and may include:

- Mortgage payment assistance for unemployed or underemployed homeowners
- Principal reduction
- Help for homeowners transitioning out of their homes into more affordable homes.
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See if your mortgage is backed by Fannie Mae, Freddie Mac, or the federal government

The COVID hardship forbearance applies to all federally backed and federally sponsored mortgages, which includes HUD/FHA, VA, USDA, Fannie Mae, and Freddie Mac mortgage loans. This includes most mortgages. Homeowners with federally backed loans have the right to ask for and receive a forbearance period

- Up to 180 days—which means you can pause or reduce your mortgage payments for up to six months.
- Additionally, you can request an extension of forbearance for up to 180 additional days, for a total of 360 days.
- You may request up to two additional three-month extensions, for up to a maximum of **18 months** of total forbearance.
- But to qualify, you must have received your initial forbearance on or before June 30, 2021. Check with your servicer about the options available.

If your mortgage is **backed by [Fannie Mae or Freddie Mac](#)** you must have received your initial forbearance on or before February 28, 2021.

If you don't know who insures or backs your mortgage, you can call your servicer who must provide you the name, address, and telephone number of who owns, insures, or backs your loan. These links will redirect you to more information for your type of loan, as well as available "loan look up" information.

[U.S. Department of Housing and Urban Development \(HUD\)](#)

- [Federal Housing Administration \(FHA\) \(Includes reverse mortgages\)](#)
 - Check if your single family loan is FHA insured by contacting the FHA Resource Center by phone at 1-800-CALL FHA, or via email at answers@hud.gov.
 - Office of Native American Programs (ONAP) Section 184/184A. Contact the ONAP by phone at (800) 561-5913, or via email at Section184@hud.gov.

- [U. S. Department of Agriculture Rural Development \(USDA\) Direct or Guaranteed loans](#)
 - See [USDA COVID-19 resources](#)
 - USDA Direct Loan borrowers can also call USDA directly at 800-414-1226
- [U.S. Department of Veterans Affairs \(VA\)](#)
 - [Guidance for VA home loan borrowers during COVID-19](#)
 - Native American Direct Loan (NADL) borrowers can contact the BSI default resolution team at 800-327-7861 or customercare@bsifinancial.com
 - If you're nervous about contacting your servicer, or if you'd like VA's help and advice, please contact a VA loan technician at 877-827-3702.
- [Fannie Mae](#)
 - [Check here to see if your loan is backed by Fannie Mae](#) or call 1-800-232-6643 and press "4" for homeowner
- [Freddie Mac](#)
 - [Check here to see if your loan is backed by Freddie Mac](#) or call 1-800-373-3343 and press "4" for homeowner.

If your mortgage is not backed or funded by one of these entities

If you have a mortgage loan that is **not** backed by one of the federal agencies or entities listed here, **contact your loan servicer to see what options are available to you.** Your servicer should help you identify alternatives that may be available to you given your specific circumstances.