

FAQs: COVID-19 EMERGENCY MORTGAGE RELIEF

What is the CARES Act?

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is federal legislation that provides a moratorium on foreclosure lawsuits until August 31, 2020 and **temporary** forbearance relief for borrowers with **federally backed mortgage loans**.

What is forbearance?

A reduction or suspension of mortgage payments for a set amount of time. The payments are not waived or forgiven and they will have to be paid back. The borrower must continue to pay property taxes, homeowner's insurance premiums, and condo fees.

What is a moratorium?

A temporary ban on filing foreclosure lawsuits, moving for a foreclosure judgment, ordering or conducting a sheriff's sale, or evicting a homeowner.

How do I know if my mortgage is federally backed?

70% of mortgage loans in Philadelphia are backed by the federal government. If you are not sure, call your mortgage company and ask. Federally backed mortgages are loans held by:

- a. a. Fair Housing Administration (FHA): If your loan is from FHA, there will be a notation on the bottom left of each page of your mortgage. You will also see a charge for Mortgage Insurance Premium on your monthly statement. You can call 877-622-8525 to confirm that the loan is still owned by FHA.
- b. b. [Veterans Administration](#): You can also receive help from regional VA [servicing centers](#).
- c. c. [Fannie Mae](#): You can use the Fannie Mae loan lookup website or call 1-800-232-6643 to confirm that your loan is from Fannie Mae.
- d. d. [Freddie Mac](#): You can use the Freddie Mac loan lookup website or call 1-800-373-3343 to confirm that your loan is from Freddie Mac.

What is a rural housing loan?

[U.S. Department of Agriculture's Rural Housing Service](#) ("RHS," formerly "FmHA") manages two single-family home loan programs for borrowers in rural areas. There are two types of loan programs: guaranteed and direct. The [Guaranteed Loan Program](#) helps private lenders provide guaranteed loans to low income households. It will not be immediately obvious from the mortgage and note whether you are part of this program. If you think your loan is from the Guaranteed Loan Program, look at the closing documents to confirm. You can also call your mortgage company and ask. In the [Direct Loan Program](#), the United States is the lender and this should be stated on the mortgage and note.

What if my mortgage is not federally backed?

Pennsylvania's Governor placed a moratorium on foreclosures until July 10, 2020. Therefore, no new foreclosure lawsuits will be filed until after July 10th. Judges in Pennsylvania counties have also announced court closures. You can learn more about court closures by going to the court's website.

What is the PA CARES Act? How is it different from the federal CARES Act?

The [PA CARES Act](#) is a Pennsylvania program providing a 90 day grace period for mortgage payments, a 90 day relief of fees, and a 60 day moratorium on foreclosures as well as other consumer protections. The list of participating banks and financial institutions includes PNC, First Commonwealth, Dollar Bank, Citizens, Ocean First, Fulton, WSFS, Clearview Credit Union, In first, Bank of America, MC, Visions Credit Union, First National, Community Regional Credit Union, Flagship, and Ag Choice Farm Credit. If your mortgage is from one of these lenders, check their website to see what emergency protections they are offering.

Can foreclosure proceedings be started against me during the COVID crisis?

According to the Governor's executive order, new foreclosure lawsuits cannot be filed in Pennsylvania until July 10, 2020.

My property was going through foreclosure before the pandemic, when will sheriff sales resume in Philadelphia?

Philadelphia Mortgage Foreclosure and Property Tax Sales will resume in October 2020. You can find the date of your property's sale at the [Sheriff of Philadelphia's Office's website](#).

I lost my job during the pandemic; I cannot pay my mortgage, what should I do?

The CARES Act allows homeowners with federally backed mortgages to request a forbearance for 180 days and, if the financial problems continue, for an additional 180 days. Call your mortgage servicer immediately and explain how Covid-19 has impacted your finances and ask for emergency assistance. You can also call the Save Your Home Hotline at 215-334-4663 to be assigned a FREE Housing Counselor who may be able to help you reduce expenses and improve your household budget.

If you have become unemployed due to the pandemic and have lost a third of your annual income, you may be eligible for the Pandemic Mortgage Assistance Program (PMAP). Applications will be available on [PHFA's website](#) on June 29, 2020 and submissions will open from July 6, 2020 through September 30, 2020.

How will I have to make up the missed mortgage payments?

The federal government announced that you will not be required to pay back missed payments with a lump sum once the crisis ends. For specific repayment terms for your mortgage, you should call your mortgage company. You can also call the Save Your Home Philly Hotline at 215-334-4663 and get help from a FREE housing counselor.

What if I have deferred payments?

Forbearance does not forgive payments so you will have to make up any missed payments. In some cases, deferred payments are likely to be made up at the end of the loan.

How does the CARES Act affect my credit?

If you were current with your mortgage payments before the COVID-19 crisis, your credit should not be impacted. The CARES Act provides some protections from negative credit reporting. If you accept a forbearance, payment deferral, or other accommodation and you were current, the mortgage company must continue to report you as current. If you were delinquent, you will continue to be reported as delinquent unless you can catch up during the forbearance period. Reach out to each of your creditors as soon as possible to obtain a forbearance agreement and protect your credit score. Consumers have reported long hold times to reach creditors' customer service representatives, so you will need to be persistent. Continue to check your credit score regularly. AnnualCreditReport.com is offering free credit reports weekly [online](#) until April 2021.

Are there any other resource materials available to consumers?

For more information on mortgage relief, read through the National Consumers Law Center's (NCLC) guide on [Coronavirus Emergency: What Consumers Need To Know About Mortgage Relief](#). Chapters 16 and 17 of the [NCLC's Surviving Debt guide](#) is also helpful. Finally, you can connect with a HUD-approved housing counselor by calling (800) 569-4287 or visiting their [website](#).

If you need legal assistance, call the SeniorLAW Helpline at 1-877-PASRLAW (1-877-727-7529) or 215-988-1242. The Helpline is open for intakes Monday-Thursday from 10AM – 12PM.

If you have any other questions not answered by this guide, feel free to reach out to the SeniorLAW Center by submitting your question by email to bshay@seniorlawcenter.org or by calling our offices at the above numbers.