

Foreclosure Moratorium Extension and Additional Guidance for Servicing Loans Impacted by COVID-19

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SFH Guaranteed Servicing

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The purpose of this announcement is to inform lenders of additional guidance to provide support to borrowers impacted by the Presidentially declared COVID-19 National Emergency.

Moratorium Extension:

The 60-day foreclosure and eviction moratorium announced by USDA, Single Family Housing Guaranteed Loan Program (SFHGLP) on March 19th, is extended until December 31st, 2020.

The moratorium does not apply in cases where the servicer has documented the property is vacant or abandoned.

Forbearance Requirements:

Lender should continue to provide impacted borrowers relief in accordance with the CARES Act by offering forbearance of the borrower guaranteed loan payment for up to 180 days. In addition, the initial forbearance period may be extended up to an additional 180 days at the borrower's request. Lenders should outline potential solutions that may be available at the end of the forbearance payment and explain to borrowers that a lump sum payment of the arrearage will not be required.

During the forbearance options outlined above, no accrual of fees, penalties or interest may be charged to the borrower beyond the amounts calculated as if the borrower had made all contractual payments in a timely fashion.

Lenders may approve the initial 180 day COVID-19 Forbearance no later than the earlier of the termination date of the national emergency declared by the President on March 13, 2020 or December 31, 2020.

Post Forbearance Options:

Upon completion of the forbearance, the lender shall work with the borrower to determine if they can resume making regular payments and, if so, either offer an affordable repayment plan or term extension to defer any missed payments to the end of the loan. If the borrower is unable to resume making regular payments, the lender should evaluate the borrower for all available loss mitigation options outlined in HB-1-3555. The special relief measures that are outlined in Chapter 18 Section 5 “Assistance in Natural Disasters” will apply. These options include Term Extensions, Capitalization and Term Extensions, and a Mortgage Recovery Advance.

Questions regarding program policy and this announcement may be directed to the National Office Division at sfhglservicing@usda.gov or (202) 720-1452.

Thank you for your support of the Single-Family Housing Guaranteed Loan Program!

Links to websites:

SFHGLP Lending Partner Webpage: <https://www.rd.usda.gov/page/sfh-guaranteed-lender>

SFHGLP webpage: <https://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program>

USDA LINC Training and Resource Library:

<https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library>

Procedure Notices: <https://www.rd.usda.gov/resources/directives/procedures-notice>