



**FOR IMMEDIATE RELEASE**  
**December 16, 2020**

## **State Agencies Offer Tips to Homeowners Before Some Federal Mortgage Relief Ends**

**Harrisburg, PA** – The Pennsylvania Department of Banking and Securities (DoBS) and Pennsylvania Housing Finance Agency (PHFA) are urging homeowners struggling to pay their mortgages to take advantage of options to lower or pause payments before some federal protections end on Dec. 31, 2020

The Coronavirus Aid, Relief, and Economic Security (CARES) Act allows borrowers with a federally backed mortgage to request forbearance to defer or lower their payments for up to 180 days if they have been directly or indirectly affected by COVID-19. The CARES Act also prohibits negative credit score reporting for homeowners using this forbearance option.

“Understanding your rights under the CARES Act is important, but communication with your mortgage servicer is necessary to ensure you can stay in your home,” Secretary of Banking and Securities Richard Vague said. “If you are unsure of your financial future or whether you qualify for this forbearance, it is important to contact your servicer to fully explore this option and make an informed decision before the December 31 deadline.”

Homeowners who are uncertain about their ability to make their mortgage payments should take the following steps before the deadline affecting some federally backed mortgages:

1. Determine if your mortgage is guaranteed by a federal government agency such as Fannie Mae, Freddie Mac, USDA, FHA/HUD, VA, or Ginnie Mae. Contact your loan servicer through the information provided on your most recent monthly statement to help make this determination.
2. If your mortgage qualifies and you have been affected directly or indirectly by COVID-19, communicate to your servicer that you are requesting a COVID-19 forbearance. A servicer may provide an initial three-month or month-to-month forbearance, but you have

the right to be granted forbearance for up to 180 days. You also have the right to an extension for up to 180 days.

3. For homeowners already enrolled in a forbearance agreement, continue to communicate with your servicer.

“When people face financial hardship, they often become fearful about talking to their lender,” explained PHFA Executive Director and CEO Robin Wiessmann. “In fact, they should talk with their bank or servicer as soon as possible because that is when they have the most financial options available to stay in their home. Communications is key to ensure consumers don’t miss out on any forbearance option.”

Important things for homeowners to keep in mind:

- [Forbearance is NOT forgiveness](#). You will still owe any missed mortgage payments.
- There will be no additional fees, penalties, or additional interest (beyond scheduled amounts) added to your loan.
- You are not required to submit additional documentation to qualify for this forbearance.
- Homeowners who can continue to make full mortgage payments should continue to do so.
- Forbearance under the CARES Act is for qualifying federally backed mortgages only. Contact your servicer for any options available on your non-federally backed mortgages.
- This forbearance option for a qualifying federally backed mortgage is separate and distinct from the CARES [Pandemic Mortgage Assistance Program \(PMAP\)](#) administered by PHFA.

The [Consumer Financial Protection Bureau \(CFPB\)](#) has more information about federally backed mortgage relief and protections.

Homeowners can find more information on the department’s [PA Money Talks blog](#). Contact the Department of Banking and Securities at 1-800-PA-BANKS or 1-800-600-0007 if you have any questions, concerns, or complaints about your mortgage or other financial matter.

Visit the commonwealth’s [Responding to COVID-19 guide](#) for the latest guidance and resources for Pennsylvanians or the Pennsylvania Department of Health’s dedicated coronavirus webpage [for the most up-to-date information regarding COVID-19](#).