

COVID-19 Mortgage Updates: Banks and Credit Unions Agree to California Residential Mortgage Payment Deferral Plan; Freddie Mac and Fannie Mae Provide Relief to Multifamily Landlords/Owners

Banks, Credit Unions Agree to California Residential Mortgage Payment Deferral Plan

On March 25, Governor Newsom announced that four of the five largest U.S. banks, Wells Fargo, JPMorgan Chase, Citibank and US Bank, and 200 credit unions and other banks have agreed to follow the steps of a plan to provide relief to residential mortgage borrowers impacted by COVID-19, while Bank of America has agreed to a modified version. The steps will include:

- 90-day forbearance on mortgage payments for homeowners impacted by COVID-19. Bank of America agreed initially to a 30-day forbearance, and stated it would consider further extensions even beyond 90 days depending on the status of the crisis. The process will include:
 - Communicating with borrowers about availability of forbearance options
 - Provide borrowers a streamlined process to request a forbearance for COVID-19-related reasons, supported with available documentation;
 - Confirm approval of and terms of forbearance program;
 - Provide borrowers the opportunity to request additional relief, as practicable, upon continued showing of hardship due to COVID-19.
- No reporting late payments to credit reporting agencies, consistent with applicable guidelines, for borrowers taking advantage of COVID-19-related relief.
- For at least 60 days, financial institutions will not initiate foreclosure sales or evictions, consistent with applicable guidelines.
- For at least 90 days, financial institutions will waive or refund at least the following for customers who have requested assistance:
 - Mortgage-related late fees
 - Other fees, including early CD withdrawals (subject to applicable federal regulations).

Governor Newsom's announcement can be found [HERE](#):

Freddie Mac and Fannie Mae Provide Relief to Multifamily Property Owners and Landlords

On March 24, Freddie Mac and Fannie Mae announced that they will allow lenders to grant up to 90 days payment forbearance to multifamily borrowers with Freddie Mac/Fannie Mae loans. In order to qualify, the borrower must be suffering hardship related to COVID-19, and must agree to suspend evictions of multifamily tenants who are facing financial crisis due to COVID-19-multifamily-7002.

Freddie Mac's and Fannie Mae's press releases can be found [HERE](#) and [HERE](#):

If we can be of assistance and to discuss various options and specific situations, please feel free to contact any of the Buchalter Mortgage Banking Industry Group Attorneys below.



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