

COVID-19 Multifamily and Single Family Mortgage Updates: FHA Multifamily Payment Forbearance and Tenant Eviction Moratorium, Deferral of Appraisals on Certain Loans, Extensions of Deadline to Implement Revised URLA and AUS Specifications

Governmental and GSE responses to the COVID-19 crisis continue at a rapid pace. Just within the last few days, new guidelines have been issued regarding several multifamily and single family residential topics. These new guidelines add to existing COVID-19 related guidelines and restrictions issued by federal and state regulators, other state and local government authorities, GSEs and FHA.

MULTIFAMILY BORROWER FORBEARANCE AND TENANT EVICTION MORATORIUM

In follow up to the multifamily mortgage payment forbearance program established by the CARES Act, HUD'S new Mortgagee Letter 2020-09 has announced steps to assist multifamily borrowers affected by the COVID-19 crisis. First, servicers must grant mortgage payment relief to multifamily borrowers whose loans are insured by FHA, who apply and who are suffering hardship due to the COVID-19 crisis. Servicers must grant such applicants a 30-day forbearance on mortgage payments, with two additional 30-day extensions available.

Second, the Mortgagee Letter also announced that multifamily priority owners/agents of FHA insured multifamily properties and properties participating in HUD multifamily assisted housing programs are required to cease evictions of tenants for non-payment of rent for 120 days.

HUD'S Mortgagee Letter also provided information about bringing a mortgage loan current after a forbearance period, as well as information about other issues.

Here is a link to the [Mortgagee Letter](#)

FEDERAL BANK REGULATORS TO ALLOW APPRAISALS AS LATE AS 120 DAYS AFTER LOAN CLOSURES FOR CERTAIN PORTFOLIO LOANS

In a step that goes far beyond GSE and FHA acceptance of alternative appraisal methodologies, the Federal Reserve, the OCC and the FDIC issued an Interim Final Rule on April 14 which provides that banks under their supervision may extend the time for obtaining an appraisal on certain portfolio residential or commercial loan until 120 days after the loan closes. This deferral will not apply to loans for the acquisition, development and construction of real estate. The regulators stated that for purposes of risk-weighting of residential mortgage exposures, an institution's prudent underwriting estimation of the collateral value of the subject property will be considered to meet the agencies' appraisal and evaluation requirements during the deferral period.

Here is a link to the [Interim Final Rule](#)

FANNIE MAE, FREDDIE MAC EXTEND DEADLINE FOR IMPLEMENTATION OF REDESIGNED URLA FORM AND AUS DATA SPECIFICATIONS

Fannie Mae and Freddie Mac have extended the deadline for implementing the redesigned Uniform Residential Loan Application, and for the implementation of the redesigned automated underwriting system data specifications, until March 1, 2021.

The implementation guidelines, including dates for interim steps, can be found [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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