



## You're on a Forbearance Plan...Now What?

You were recently approved for a forbearance plan on your mortgage loan. We understand you may have many questions about what this means. We are committed to helping you through every step of this process so you will have peace of mind and can continue to focus on the health and well-being of your family.

**Please keep in mind that you can easily manage your account and view your forbearance plan details online.**



### Frequently Asked Questions

**Question:**

What is a forbearance plan?

**Answer:**

A forbearance plan allows for a temporary pause in your monthly mortgage payment(s) during the forbearance period. It is important to understand that forbearance is not loan forgiveness. Forbearance does not erase the amount you owe on your mortgage. You will have to repay any missed payments later, but you won't have to repay it all at once—unless you are able to do so. If you are able to make partial payments during the forbearance period, it will help reduce the amount you owe later.

During the forbearance plan term, late charges and other fees will be suspended. If your loan is current at the time you enter into a forbearance plan, we will report the status of the account to the credit reporting agencies as current each month you are in the plan. If, however, your loan was delinquent prior to entering into a forbearance plan, we will maintain that delinquency status during the period of the forbearance. If you are able to bring the loan current during the forbearance plan, we will report the account as current.

If you are unable to repay all missed payments at the end of the forbearance period, we will need to evaluate your loan to determine what payment solutions may be available to you. Depending on the investor guidelines applicable to your loan, your payment solutions may include a repayment plan, payment deferral, loan modification or other approved option. We will contact you via email prior to the end of your forbearance period to help determine your available options. You will receive additional correspondence reminding you of your next steps approximately 30 days prior to the end of the forbearance period.

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**Question:**

If I don't request help with my payments now, will assistance be available for me later if I need it?

**Answer:**

Yes, you can apply for assistance any time on our [website](#) or over the telephone. Note that the deadline to request the initial forbearance for up to 180 days on your mortgage under the federal Coronavirus Aid, Relief, and Economic Security (“CARES”) Act depends on who backs your loan:

- FHA – Deadline June 30, 2021
- VA – Deadline June 30, 2021
- USDA – Deadline June 30, 2021
- Fannie Mae – No deadline at this time
- Freddie Mac – No deadline at this time

In addition, depending on the investor of your loan, additional forbearance relief may be available. Please contact us for more information on available assistance options.

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**Question:**

What should I do now that I am on a forbearance plan?

**Answer:**

It is important that you:

- > Continue paying your taxes, insurance, or HOA/condo fees during forbearance if you make those payments separately from your mortgage.
  - > Make partial payments, when you are able. It will reduce the total amount you will owe later.
  - > Inform us if your financial circumstances change so that your forbearance period is not unnecessarily prolonged.
  - > Check your email for updates from us. We will send you periodic email updates to keep you informed about your forbearance plan.
  - > Register your account online if you haven’t already done so to view your account, forbearance plan details and new information as it becomes available.
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**Question:**

When do I need to contact you about my forbearance plan?

**Answer:**

Contact us if you wish to cancel your forbearance plan or adjust the duration of the forbearance period. You should also contact us when we request an update on your financial situation approximately 30 days before the expiration of your forbearance. All other questions can be answered by reviewing your account online. We will continue to update the frequently asked questions as new information becomes available.

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**Question:**

Will a forbearance plan negatively affect my credit?

**Answer:**

If your loan is in a current status at the time you enter into a forbearance plan, we will continue to report the status of the account to the credit reporting agencies as current each month you are in the plan. If, however, your loan was in a delinquent status before you entered into a forbearance plan, we will maintain that delinquency status during the period of the forbearance. However, your delinquent status will be frozen during the period of the forbearance. If you are able to bring the loan to a current status during the forbearance plan, we will then report the account as current. For more information about credit reporting, please visit the Consumer Financial Protection Bureau's website at <https://www.consumerfinance.gov/coronavirus/>.

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**Question:**

If I did not make payments before the forbearance plan started, will those payments be reported as late?

**Answer:**

No new delinquencies will be reported during the forbearance period. If your loan was delinquent before you entered into a forbearance plan, we will maintain that delinquency status during the period of the forbearance. However, your delinquent status will not increase during the period of the forbearance. If you are able to bring the loan current during the forbearance plan, we will report the account as current.

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**Question:**

I didn't make last month's payment, but I have been approved for a forbearance plan. What should I do?

**Answer:**

You are required to make a monthly payment up until the month you begin the forbearance plan. If not, you will be reported delinquent at the time you enter your forbearance plan, and that delinquent status will be frozen while in the forbearance plan, unless your account is brought current during your forbearance plan period. In this case, you will then be reported in a current status for the remainder of the time in your plan.

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**Question:**

Will I be charged any fees while I'm on a forbearance plan?

**Answer:**

Late fees will not be charged for any payments during your forbearance period.

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**Question:**

I have auto draft set up on my account. Will monthly payments still be drafted? Should I cancel my auto draft?

**Answer:**

We will suspend the auto draft when we set up your forbearance plan. Auto draft must be cancelled 3 days prior to the draft date. If you have payments scheduled prior to the setup of your forbearance, those drafts will need to be cancelled.

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**Question:**

Will I still receive letters about the account delinquency status while the account is in forbearance?

**Answer:**

Yes. Due to investor guidelines, we must send certain letters which may include statements regarding the account delinquency. However, you will not be required to make payments during the forbearance period and we will not assess late fees.

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**Question:**

How long is the forbearance period?

**Answer:**

The details of your forbearance plan may be viewed online once you log into your account. Depending on the investor of your loan, you may have the option to forbear, or “pause” your mortgage payments for an initial term of up to 180 days. You may also be eligible to request an extension of the initial term for up to an additional 180 days (for a total of up to 360 days, when combined with the initial forbearance term). However, you may shorten or suspend your forbearance period at any time. We will contact you via email toward the end of the initial forbearance period to determine your next steps.

If you have an FHA, USDA or VA loan, once your 360-day forbearance period has expired, you may request two additional three-month forbearance periods, if you requested your initial COVID-19 forbearance on or before June 30, 2020. Each three-month forbearance period must be requested individually. Please note that neither of the two additional three-month extensions may extend beyond December 31, 2021.

If you have a Fannie Mae or Freddie Mac loan, once you reach a cumulative forbearance plan term of 360 days as measured from the start date of the initial forbearance plan and your hardship has not been resolved, you may be able to request an extension of the forbearance plan term of up to 3 months.

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**Question:**

What if I requested a forbearance term of less than 180 days and I need more time?

**Answer:**

The protections of the CARES Act apply if the investor of your loan is FHA, VA, USDA, Fannie Mae

or Freddie Mac. In accordance with the CARES Act, if you originally requested an initial forbearance term of less than 180 days, we may be able to extend your initial forbearance term for up to the maximum of 180 days. Toward the end of the initial 180-day forbearance term, you also may be eligible to request an extension of up to an additional 180 days, for a total of up to 360 days.

If you have an FHA, USDA or VA loan, once your 360-day forbearance period has expired, you may request two additional three-month forbearance periods, if you requested your initial COVID-19 forbearance on or before June 30, 2020. Each three-month forbearance period must be requested individually. Please note that neither of the two additional three-month extensions may extend beyond December 31, 2021.

If you have a Fannie Mae or Freddie Mac loan, once you reach a cumulative forbearance plan term of 360 days, as measured from the start date of your initial forbearance plan, and your hardship has not been resolved, you may be able to request an extension of the forbearance plan term of up to 3 months.

If your loan is not subject to the CARES Act, you still may be eligible for forbearance protections in accordance with investor guidelines and/or applicable law.

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**Question:**

What happens when the forbearance plan ends?

**Answer:**

We will send you an email approximately 30 days before the end of your forbearance plan to let you know what we need from you as you prepare to transition to regular monthly payments. We will include information about options that may be available to you if you are not ready to resume your regular payment schedule. If you have an FHA loan, you must complete a post-forbearance payment assistance option no later than 120 days from the earlier of the date of completion or expiration of your forbearance plan. If your forbearance has completed or expired on or prior to February 16, 2021, you must complete an FHA post-forbearance payment assistance option no later than 120 days from February 16, 2021.

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**Question:**

How do I cancel my forbearance plan?

**Answer:**

To cancel your forbearance plan, log into your account and click on the “Your Mortgage Assistance Plan” tab in the menu. Once there, you will find an option to request an update to your forbearance plan. Follow the prompts to cancel your plan.

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**Question:**

What happens to the payments I didn't make during the forbearance period?

**Answer:**

Forbearance does not erase the amount you owe on your mortgage. All payments missed during the forbearance period (including any payments you did not make prior to the beginning of your forbearance) will be part of the amount you owe following the forbearance period. You won't have to repay it all at once—unless you are able to do so. If you are able to make partial payments during the forbearance period, it will help reduce the amount you owe later. If you are unable to pay the full amount to bring your loan current when your forbearance plan ends, we will work with you to determine what payment solutions are available to help you get back on track. Continue reading to learn more about the payment solutions that may be available to you depending on the investor for your mortgage loan.

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**Question:**

What happens if I am unable to repay all the missed payments when my forbearance plan ends?

**Answer:**

If you are unable to repay all missed payments at the end of the forbearance period, we will need to evaluate your loan to determine what payment solutions may be available to you. Your available assistance options may include:

**For all loans:**

- > **Reinstatement.** This means bringing your loan current with a one-time payment of the full past due amount. After you reinstate, you can continue to pay your mortgage under the terms that you originally agreed to before you received forbearance.
- > **Repayment Plan.** This allows you to repay the amount you owe that accumulated during the forbearance plan over monthly installments. These installments are added to your regular monthly payments until the accumulated amount is paid in full.

Depending on your investor, additional assistance options may be available to you.<sup>1</sup> To find out who the investor on your loan is, please visit:

- > Fannie Mae (<https://www.knowyouroptions.com/loanlookup>)
- > Freddie Mac (<https://www3.freddiemac.com/loanlookup/>)
- > MERS ServicerID web page (<https://www.mers-servicerid.org/sis/>)

#### **For FHA loans:**

If you have an FHA loan, the following additional COVID-19 loss mitigation options may be available:

- > **COVID-19 Standalone Partial Claim.** Similar to a deferment, a Partial Claim is a no interest, junior loan secured by your property. No payments are due on the COVID-19 Standalone Partial Claim until the payoff, maturity or acceleration of your insured mortgage, including the sale of your property or a refinancing, or the termination of Federal Housing Administration (FHA) insurance on your mortgage. You must be an owner-occupant of the property to be eligible for this assistance option.
- > **COVID-19 Owner-Occupant Loan Modification.** This option is for homeowners who do not qualify for a COVID-19 National Emergency Standalone Partial Claim. A loan modification is a change in one or more terms of the mortgage.
- > **COVID-19 Combination Partial Claim and Loan Modification.** This option is for homeowners who do not qualify for a COVID-19 National Emergency Standalone Partial Claim or a COVID-19 Owner-Occupant Loan Modification. This option allows for the use of a partial claim for up to 30 percent of the unpaid principal balance, and any other amounts owed are handled through a loan modification.
- > **COVID-19 FHA-HAMP Combination Loan Modification and Partial Claim with Reduced Documentation.** This option is for homeowners who are not eligible for any other COVID-19 home retention solution. It reduces the amount of documentation needed to obtain a partial claim and loan modification.
- > **COVID-19 Non-Occupant Loan Modification.** This option is for loans secured by a property that is not owner-occupied. The property may have been used as a rental property, secondary residence or vacation home. A loan modification is a permanent change in one or more terms of the mortgage.
- > **COVID-19 Pre-Foreclosure Sale.** A COVID-19 Pre-Foreclosure Sale, also known as Short Sale, refers to the sale of the property to generate proceeds less than the amount owed on the property and the lien holders agree to release their liens and forgive the remaining debt. This option is only

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<sup>1</sup> Available options may vary depending on investor guidelines applicable to your loan type. Additional eligibility requirements and documentation may or may not be required for these options. Please check back as we are monitoring changes in investor guidelines to ensure we are considering all available options for your loan.

available for borrowers who are experiencing a hardship affecting their ability to sustain the mortgage due to COVID-19.

- > **COVID-19 Deed-in-Lieu of Foreclosure.** A Deed-In-Lieu is a home disposition option in which the property is voluntarily offered to HUD in exchange for a release from all obligations under the mortgage. This option is only available for borrowers who are experiencing a hardship affecting their ability to sustain the mortgage due to COVID-19 and who were unable to complete a COVID-19 short sale transaction at the expiration of the short sale marketing period.

#### **For Fannie Mae and Freddie Mac loans:**

If you have a Fannie Mae or Freddie Mac loan, the following additional COVID-19 loss mitigation options may be available:

- > **COVID-19 Payment Deferral.** This option is available to eligible borrowers who are unable to afford a reinstatement or a repayment plan. The COVID-19 Payment Deferral brings your mortgage current and delays repayment of certain past-due monthly principal and interest payments, as well as other amounts we paid on your behalf related to the past-due monthly payments. You will be responsible for paying the past-due amounts upon the maturity date of the mortgage or earlier upon the sale or transfer of the property, refinance of the mortgage loan, or payoff of the interest-bearing unpaid principal balance.
- > **Streamline Flex Modification.** This option is for homeowners who do not qualify for a COVID-19 Payment Deferral and does not require the submission of a complete Borrower Response Package. A loan modification is a change in one or more terms of the mortgage.
- > **Flex Modification.** This option is for homeowners who do not qualify for a Streamline Flex Modification and requires that a complete Borrower Response Package be submitted for review. A loan modification is a change in one or more terms of the mortgage.
- > **Short Sale.** A Short Sale refers to the sale of the property to generate proceeds less than the amount owed on the property and the lien holders agree to release their liens and forgive the remaining debt.
- > **Deed-In-Lieu of Foreclosure.** A Deed-In-Lieu of Foreclosure is a home disposition option in which the property is voluntarily offered in exchange for a release from all obligations under the mortgage.

#### **For VA loans:**

If you have a VA loan, the following loss mitigation options may be available:

- > **Loan Modification.** This option provides for a permanent modification of the terms of the mortgage in order to reinstate the loan. This option provides for a fixed-interest rate and may include reamortization of the balance due.



- > **Streamline Modification.** This option allows for a loan modification under certain circumstances when the borrower has not submitted a complete loss mitigation application. This option provides for a fixed-interest rate and a lower monthly principal and interest payment.
- > **VA Affordable Modification.** This option helps homeowners avoid foreclosure when other traditional home retention options are not feasible. This option provides for a fixed-interest rate and a lower monthly principal and interest payment.
- > **VA Disaster Modification.** This option allows servicers to offer a permanent loan modification to provide payment relief to impacted delinquent borrowers when the borrower has not submitted a complete loss mitigation application.
- > **Disaster Extend Modification.** This option allows servicers to offer permanent payment relief, by extending the maturity date by up to 12 months, to impacted delinquent borrowers when the borrower has not submitted a complete loss mitigation application.
- > **Compromise Sale.** A Compromise Sale, or Short Sale, is a sale of the mortgaged property to a third party for an amount less than the borrower's total eligible indebtedness on the loan and the lien holders agree to release their liens and forgive the remaining debt. This alternative should be considered when a private sale is not feasible due to little or no equity.
- > **Deed-In-Lieu of Foreclosure.** A Deed-In-Lieu of Foreclosure is a home disposition option in which the property is voluntarily offered in exchange for a release from all obligations under the mortgage.

#### For USDA loans:

If you have a USDA loan, the following loss mitigation options may be available:

- > **Term Extension.** This option extends the loan term for a period that is at least the length of the forbearance. This option is available to borrowers who are able to resume making regular monthly contractual payments.
  - > **Loan Modification.** A Loan Modification is a change in one or more terms of the mortgage.
  - > **Combination Modification and Term Extension.** This option permanently changes one or more terms of the mortgage and includes an extension of the original maturity date.
  - > **Mortgage Recovery Advance.** Similar to a deferment, a Mortgage Recovery Advance (MRA) is a no interest, junior loan secured by your property. No payments are due on the MRA until the earlier of the payoff, maturity or acceleration of your mortgage, including the sale of your property or a refinancing. An MRA may be used in combination with a loan modification or as a stand-alone option to cure the borrower's delinquency.
  - > **Pre-Foreclosure Sale.** A Pre-Foreclosure Sale, or Short Sale, is a sale of the mortgaged property to a third party for an amount less than the borrower's total eligible indebtedness on the loan and the lien holders agree to release their liens and forgive the remaining debt. This alternative should be considered when a private sale is not feasible due to little or no equity.
  - > **Deed-In-Lieu of Foreclosure.** A Deed-In-Lieu of Foreclosure is a home disposition option in which the property is voluntarily offered in exchange for a release from all obligations under the mortgage.
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**Question:**

How are taxes and insurance handled during a forbearance plan?

**Answer:**

If your monthly mortgage payment does not include an escrow payment for taxes and insurance, you should continue to make those payments during the forbearance period in accordance with your mortgage loan documents. However, if your account is currently escrowed for taxes and insurance, we will continue to make those payments from your escrow account. Should your escrow account become depleted while on forbearance, this will result in a shortage to your account; where applicable, we will handle any escrow account shortages in compliance with investor requirements and applicable law, which may also allow repayment over time for these escrow shortage amounts. We will advance, on your behalf, any escrow account shortage for taxes and insurance due during the forbearance period. However, any account shortages and advances for taxes and insurance will also need to be repaid. Depending on the type of mortgage loan you have, any advances may be repaid through a qualifying post-forbearance option, and any additional account shortages may be repaid through a replenishment of the escrow account or a repayment plan.




## Be Aware of Scams

Scammers often take advantage of vulnerable consumers during disasters and financial shocks. In addition to coronavirus-related scams, be aware of scams that falsely promise financial relief from your mortgage loan, or from foreclosure.

Here's what to watch for as scammers may:

- > Charge a high up-front fee for their services
- > Promise to get you a loan modification
- > Ask you to sign over your property title
- > Ask you to sign papers you don't understand
- > Tell you to make payments to someone other than your servicer
- > Tell you to stop making payments altogether
- > Promise you payments in connection with providing credit card numbers and other personal information

Sourced from the Consumer Financial Protection Bureau. For more tips and guidance during these uncertain times, visit [the blog on their website](#).



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If you are currently involved in a bankruptcy proceeding or have previously received a discharge in a bankruptcy proceeding, please notify us immediately and be advised that this notice is for informational purposes only. This notice is not intended to collect, recover, or offset the debt against you personally and should not be considered a demand for payment or indicate that you are personally liable for this debt. Please consult an attorney if you have any questions about your rights under bankruptcy laws.