

UPDATES: HOUSING ISSUES AND COVID-19

Judith Fox, Clinical Professor

Notre Dame Law School

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- ▶ Executive Order 20-30: Extends the moratorium for initiating **eviction or foreclosure** actions on residential properties to July 4, 2020.

EMERGENCY MORATORIUM

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YOU ARE STILL OBLIGATED TO PAY
YOUR RENT/MORTGAGE

- ▶ Moratorium on Evictions through June 30
- ▶ Stimulus Money is not counted in calculation of annual income

HUD: SECTION 8 AND PUBLIC HOUSING:

[HTTPS://WWW.HUD.GOV/SITES/DFILES/PIH/DOCUMENTS/COVID19_ROUND3-FAQS_04-22-20.PDF](https://www.hud.gov/sites/dfiles/pih/documents/covid19_round3-faqs_04-22-20.pdf)

Subsidized Housing

- ▶ Moratorium on ALL rental payment evictions till June 30
- ▶ No late fees,
- ▶ Can evict for lease violations or drug use: BUT, state moratorium still applies

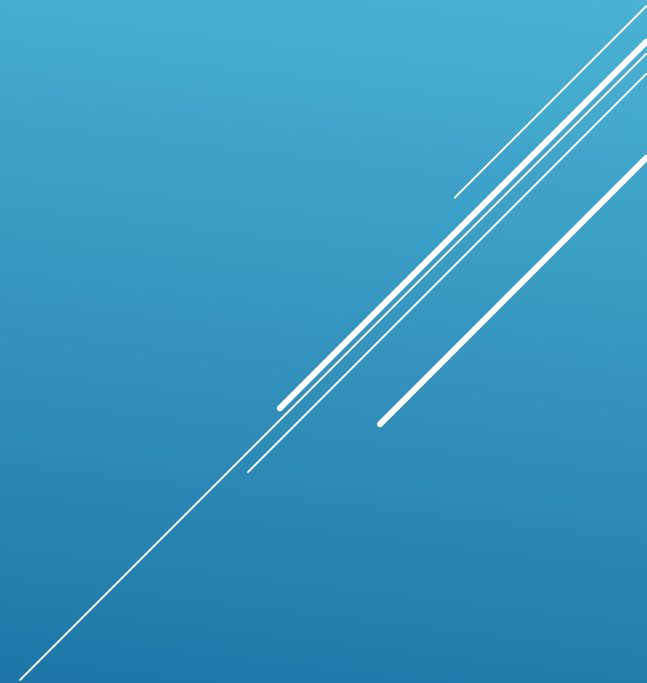
Section 8

- ▶ Moratorium on evictions till July 4(state law)
- ▶ Cannot terminate voucher because of nonpayment of tenant's portion
- ▶ Caution against abandonment terminations
- ▶ No inspections or certifications taking place

HUD HOUSING ISSUES

- ▶ FHFA extended moratorium to August 31, 2020
- ▶ Delinquency rates are up (4.36% in May)
- ▶ Close to 4 million in forbearance as of May 3
- ▶ 30% of all mortgage holders failed to make June 1
- ▶ July statistics predicted to be higher

MORTGAGE FORECLOSURE MORATORIUM



COVID FUNDING TO STATE AND LOCAL AGENCIES



South Bend

- ▶ St. Vincent DePaul: rental assistance
- ▶ Catholic Charities: utility

- ▶ Additional money pending:
- ▶ The City is working to review agency funding applications that, if awarded, would provide agency programs offering assistance to eligible households for rent, mortgage and/or utility expenses, as determined eligible through the specific COVID funding. Additional information will be made available by the City and the agencies once awards have been determined."

Mishawaka

- ▶ Mishawaka Food Pantry: rental assistance

- ▶ Real Services: utility

CURRENTLY AVAILABLE

- ▶ United Religious Community
- ▶ - South Bend Heritage
- ▶ - Imani and Unidad
- ▶ - Catholic Charities
- ▶ - Salvation Army
- ▶ St. Vincent DePaul

FUNDED THROUGH UNITED WAY

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- ▶ Moratorium on eviction filing to July 24 and removal until Aug 24 for any “federally related” housing (some examples)
 - ▶ Public Housing
 - ▶ Section 8 (voucher or project based)
 - ▶ Section 202 Senior Housing
 - ▶ Section 236 housing
 - ▶ Section 221 Housing
 - ▶ LITC housing
 - ▶ Properties with a federally-backed mortgage

CARES ACT

RECAP

THE FOLLOWING SLIDES ARE A RECAP OF THE PRESENTATION OF MAY 11



- ▶ Temporary Forbearance for Federally-related mortgages
 - ▶ FHA
 - ▶ Fannie Mae
 - ▶ USDA
- ▶ VA
- ▶ Freddie Mac

THE CARES ACT



- ▶ Fannie Mae: <https://www.knowyouroptions.com/loanlookup#form>
- ▶ Freddie Mac: <https://ww3.freddiemac.com/loanlookup/>
- ▶ FHA: usually can tell by the paperwork, but to be sure, call 877-622-8525
- ▶ VA: on the mortgage documents
- ▶ USDA: on the paperwork (or USA is the lender)

HOW DO YOU KNOW IF YOU HAVE A
“FEDERALLY RELATED MORTGAGE”?

- ▶ Send to address on statement for QWR/RFI
- ▶ Specifically ask who “owns, insures or guarantees” note

REQUEST FOR INFORMATION



- ▶ No application beyond asking for it
- ▶ Entitled to 180 day forbearance, and an additional 180 days
- ▶ whether or not you are current on mortgage
- ▶ Continues until earlier of: end of national emergency or 12/31/2020

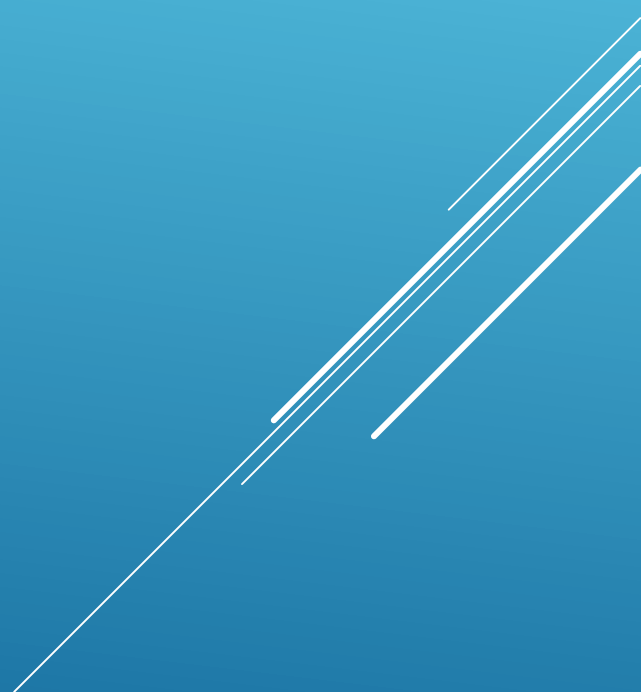
MANDATORY FORBEARANCE

- ▶ Does not include escrow items (taxes, insurance, condo dues)
- ▶ No fees, penalties or interest (beyond what would have been charged)
- ▶ No payment due, but you can make payment if want to
- ▶ Cannot report you late to credit bureaus

WHAT DOES FORBEARANCE DO?

NON-FEDERAL LOANS

Many are offering the 90 day
forbearance



- ▶ **Repayment plan** (up to 12 months)
- ▶ **Automatic streamline mod:**
 - ▶ **Payment deferral:** in non-interest lien for accrued arrearage
 - ▶ **Extend Modification:** the loan term by the term of the forbearance; same payment; escrow will need to be repaid (up to 60 months)
 - ▶ **Cap and extend:** extends the maturity of the loan, but capitalizes escrow as well as payments
- ▶ **Flex Mod (only option if your were in default before March 27,2020)**

FANNIE/FREDDIE POST-FORBEARANCE OPTIONS

- ▶ Aimed to reduce monthly payments – targeting 20% reduction
- ▶ Extend term to 480 months
- ▶ Sets interest rates at Fannie/Freddie Loan Mod rate
- ▶ Can include principal forbearance (down to 100% LTV and sometimes even 80%)

FLEX MODIFICATIONS

- ▶ Must offer Forbearance IF homeowner asks
- ▶ After forbearance:
 - ▶ IF, less than 30 days late on March 1.2020
 - ▶ Can resume previous payments
 - ▶ Non-interest bearing lien for unpaid arrearage
- ▶ FHA HAMP
 - ▶ Can include principal forbearance
 - ▶ Reduce interest to PMMS plus .25%
 - ▶ New 30 year term

FHA MORTGAGE LOANS

- ▶ Be sure to apply for any modification 30 days BEFORE your forbearance ends

IMPORTANT TO REMEMBER

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