



# Update: Coronavirus Disease (COVID-19)

UPDATED May 7, 2020

**Coronavirus Aid, Relief, and Economic Security (CARES) Act** offers mortgage assistance options for borrowers who have *federally-backed mortgages* and who are experiencing financial hardship as a result of the virus.

## What You Should Do

Update your contact information, especially your cell phone number and email address within your online account.

If you can continue making your mortgage payments, you should do so. This provides us the ability to help as many customers as possible who are truly impacted by this pandemic.

## Payment Due? Here's What You Need to Know.

If your mortgage payment is due on the first, remember that you have a grace period until the 15<sup>th</sup> of the month to make your payment without any penalties, late fees, or harm to your credit. You can always use our website or our automated phone system to make a payment from anywhere.

For federally-backed mortgage loans, there is a 60 day foreclosure moratorium, meaning no foreclose or eviction will take place for 60 days after March 18, 2020. Specifically, the CARES Act prohibits lenders and servicers from beginning a judicial or non-judicial foreclosure against you, or from finalizing a foreclosure judgment or sale, during this period of time. For non-federally backed mortgage loans, some states have also implemented moratoriums on foreclosures and evictions.

If you are unable to make your payment due to the pandemic, we're here to help. See below for more information on what to do next.

## What to Do If You Can't Make a Mortgage Payment

If the pandemic has caused a financial hardship, we're here to help. You can request assistance by contacting our customer service team or utilizing our online request form.

**Short-term relief is available.** If you are experiencing a financial hardship due to the pandemic, we are offering payment relief for eligible customers, depending on what the owner of your loan allows.

For federally-backed mortgages (i.e., owned by Fannie Mae or Freddie Mac, or if your loan is insured by FHA, VA, or USDA), the CARES Act Forbearance Plan is available for those experiencing financial hardship due to the COVID-19 pandemic. The initial forbearance period can be up to 180 days with an additional extension of 180 days, if needed, for a maximum forbearance of 360 days. During the forbearance period, we will suspend negative credit reporting and there will be no late fees.

While forbearance may be a great option to help you through this crisis, remember, once your forbearance is over, any paused payments will need to be repaid. We'll work with you to reassess your situation and advise you of what options may be available at that time.

**What happens after a forbearance?** At the end of your forbearance period, all payments not made during the forbearance period will need to be addressed. The options will depend on what assistance the owner of your loan has made available. The options may include and are not necessarily limited to:

- **Reinstatement**—If you can afford it, you may pay all of the amounts that came due during the forbearance at the end of the forbearance period.
- **Start a repayment plan** — Over a set number of months, an extra amount will be added to your regular mortgage payment to cover the amount owed from the forbearance.
- **Loan modification** — If you are unable to repay the missed payments via a lump sum or through a repayment plan, we will work with you on a loan modification. This may include an extension at the end of your loan giving you additional months to pay the forbearance amount.
- **COVID-19 Partial Claim** (for FHA insured loans only)- Partial Claim option may be available for borrowers less than 30 days delinquent as of March 1, 2020, which allows you to defer forborne payments until your loan is paid off. If you are not eligible for the Coronavirus Standalone Partial Claim, you will be evaluated for other loss mitigation options.

**Note: Please don't stop making your mortgage payments until you've been approved for a forbearance plan. These programs are not payment forgiveness programs. They'll require any paused payments to be repaid. All of the above options are subject to availability as determined by the owner of your loan. Some options may have additional qualification requirements.**

### **Is forbearance the right option for you?**

The forbearance plan may be a great option if you need temporary relief from your mortgage payments due to the pandemic; however, we encourage you to speak with your financial advisor or attorney before making this decision.

## Why Forbearance and Not Payment Forgiveness

We know that some announcements in the news may have led you to believe that your mortgage company can waive your upcoming payments or offer payment forgiveness. To understand why we can't offer that, it's helpful to understand a little bit about our role in the mortgage industry.

As a mortgage servicer, UWM is required to comply with applicable rules, regulations and guidelines. The guidelines are determined by the owner of your loan. If your loan is federally-backed, waivers and payment forgiveness are not available, regardless of who your mortgage company is. The CARES Act (recently enacted federal legislation) provides forbearance for these types of loans as an immediate relief option for homeowners who need assistance. Remember though, forbearance is just the first step. UWM will continue to work with you and provide available needed assistance during and after forbearance.

If your loan isn't federally backed, there are still assistance options available for you, including forbearance. The process for obtaining a forbearance just may be different depending on the owner of your loan for non-federally-backed mortgages.

## What to Do If You're Experiencing Extra Long Hold Times

To make sure we're here to help you, we've enabled nearly 100% of our employees to work from home. We are also adding a significant number of team members to our customer service team at this very moment. Even still, we are getting a lot more calls than normal. We're committed to speaking to everyone who needs us, but we know that waiting on hold can be frustrating. To avoid long wait times:

- Create an online account or sign in to make payments, check payment activity, and access your documents. Everything you need to manage your mortgage is there.
- *Last updated: May 7, 2020*