

Mortgage forbearance during COVID-19: What to know and what to do

Many homeowners are struggling to make mortgage payments as a result of the coronavirus pandemic. Here is information you can use, about your options and your rights.

If you are facing money struggles, you are not alone

Help is available. The majority of homeowners have the right to forbearance for a coronavirus-related financial hardship. Forbearance is when your mortgage servicer or lender allows you to pause or reduce your mortgage payments for a limited time while you regain your financial footing.

Forbearance is not automatic. You must request it from your mortgage servicer. This might seem like a big step to take, but taking action now can help you pause your payments and avoid foreclosure.

Forbearance ends with a payment plan, not a lump-sum payment

Homeowners who receive forbearance under the CARES Act are not required to repay their skipped payments in a lump sum once the forbearance period ends. You can talk with your mortgage servicer, or start with a HUD-approved housing counselor, to discuss a repayment plan that works for your situation.

Most servicers must offer forbearance, and the others can provide options

Protections under the CARES Act apply to all federally backed and federally sponsored mortgages, which includes FHA, VA, USDA, Fannie Mae, and Freddie Mac mortgage loans. This includes most mortgages. Under the CARES Act, homeowners with federally backed loans have the right to ask for and receive a forbearance period for up to 180 days—which means you can pause your mortgage payments for up to six months. Additionally, you can request an extension of forbearance for up to 180 additional days, for a total of 360 days.

Mortgages not covered by the CARES Act may also provide similar forbearance options. If you are struggling with payments, servicers are generally required to discuss relief options with you, whether or not your loan is covered under the CARES Act.

Getting through to your servicer could be easier than you think

In the early days of the pandemic, homeowners reported trouble getting through to servicers by telephone. Now, many mortgage servicers have increased their capacity to respond to customers. Patience is still encouraged, and you may be able to reach your servicer by telephone or online. Some servicers may have websites for you to understand your options and request forbearance.

Mortgage servicers generally cannot ask for proof of hardship

Under the CARES Act, you can ask for forbearance and tell your servicer that you are going through a financial hardship because of the pandemic. If you have a federally backed loan, the mortgage servicer is not permitted to ask you for proof of hardship.

You do not need to pay for help with forbearance options

HUD-approved housing counselors provide their services at no cost to borrowers requesting forbearance. You should steer clear of scams – especially offers to help that come with upfront fees – whether the offer is for your mortgage or for other services, like assistance with unemployment benefits or credit repair.

No need to wait—ask for help now

For mortgages backed by some government agencies, the deadline to request forbearance is December 31, 2020. Others may not yet have specified a deadline, or may have specified a later date. If you have already requested forbearance and need an extension, it's best to make the request before the end of the year.

In any case, taking action without delay can help you take control of your finances.

HUD-approved housing counselors

Visit consumerfinance.gov/find-a-housing-counselor or call the CFPB at (855) 411-CFPB (2372) to find a HUD-approved housing counselor, at no cost to you.

Submit a complaint

Have an issue with a financial product or service? We'll forward your complaint to the company and work to get you a response – generally within 15 days.

 Online
consumerfinance.gov/complaint

 By phone (180+ languages)
M-F, 8 a.m. - 8 p.m. ET
(855) 411-CFPB (2372)
(855) 729-CFPB (2372) TTY/TDD

 By mail
P.O. Box 2900
Clinton, IA 52733-2900

 By fax
(855) 237-2392