
Joint Release

**Board of Governors of the Federal Reserve
System
Conference of State Bank Supervisors
Consumer Financial Protection Bureau
Federal Deposit Insurance Corporation
National Credit Union Administration
Office of the Comptroller of the Currency**

For immediate release

April 3, 2020

**Federal Agencies Encourage Mortgage Servicers to Work With Struggling
Homeowners Affected by COVID-19**

The federal financial institution regulatory agencies and the state financial regulators issued a joint policy statement providing needed regulatory flexibility to enable mortgage servicers to work with struggling consumers affected by the Coronavirus Disease (referred to as COVID-19) emergency. The actions announced today by the agencies inform servicers of the agencies' flexible supervisory and enforcement approach during the COVID-19 pandemic regarding certain communications to consumers required by the mortgage servicing rules. The policy statement and guidance issued today will facilitate mortgage servicers' ability to place consumers in short-term payment forbearance programs such as the one established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Under the CARES Act, borrowers in a federally backed mortgage loan experiencing a financial hardship due, directly or indirectly, to the COVID-19 pandemic, may request forbearance by making a request to their mortgage servicer and affirming that they are experiencing a financial hardship during the COVID-19 pandemic. In response, servicers must provide a CARES Act forbearance, that allows borrowers to defer their mortgage payments for up to 180-days and possibly longer.

The policy statement clarifies that the agencies do not intend to take supervisory or enforcement action against mortgage servicers for delays in sending certain early intervention and loss mitigation notices and taking certain actions relating to loss mitigation set out in the mortgage servicing rules, provided that servicers are making good faith efforts to provide these notices and take these actions within a reasonable time.

To further enable short-term payment forbearance programs or short-term repayment plans, mortgage servicers offering these programs or plans will not have to provide an acknowledgement notice within 5 days of receipt of an incomplete application, provided the servicer sends the acknowledgment notice before the end of the forbearance or repayment period.

The guidance also reminds servicers that there is existing flexibility in the rules with respect to the content of certain notices. Finally, to assist servicers experiencing high call volumes from consumers seeking help, the policy statement also confirms that the

agencies do not intend to take supervisory or enforcement action against mortgage servicers for delays in sending annual escrow statements, provided that servicers are making good faith efforts to provide these statements within a reasonable time.

Attachments:

Joint Statement on Supervisory and Enforcement Practices Regarding the Mortgage Servicing Rules in Response to the COVID-19 Emergency and the CARES Act

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