

Biden extends pandemic-related mortgage relief through June

By [Keith Lewis](#), CQ

President Joe Biden on Tuesday extended pandemic-related mortgage loan forbearance options and a foreclosure moratorium through June as about one in five Americans are behind on payments, according to the White House.

Foreclosures on federally backed mortgage loans will remain restricted through June 30. Under the extended relief, borrowers now have until that date to request that lenders temporarily reduce or eliminate monthly payments depending on the circumstances. Those who previously enrolled in a forbearance program can receive up to six months in extensions if needed, it said.

Servicers must offer severely delinquent borrowers a “waterfall” of streamlined home retention options that include loan modifications that waive late penalties and restructure the monthly payments.

This housing relief would have expired at the end of March if not for the extensions that will be coordinated by the departments of Housing and Urban Development, Veterans Affairs and Agriculture.

“As President Biden has made clear, it is urgent that we help homeowners throughout the nation who are struggling financially from this unprecedented national emergency,” acting HUD Secretary Matthew Ammon said in a statement. “The steps we are taking today will provide both immediate relief to those in desperate need of assistance and help more homeowners keep their homes and resume their payments when the pandemic subsides.”

Relief is available to all borrowers with Federal Housing Administration-insured loans, including home equity conversion mortgages. It also covers veterans’ loans, reverse mortgages for seniors, and Section 184 and 184A loans, which are programs to encourage Native American and Native Hawaiian homeownership.

Biden tied the housing relief to racial equity and pointed out that communities of color have felt the brunt of the pandemic.

“Extending forbearance policies will provide critical support to homeowners of color, who make up a disproportionate share of borrowers with delinquent loans and loans in forbearance due to COVID-related hardship,” the White House said in the statement.

The independent Federal Housing Finance Agency said on Feb. 10 it would extend similar relief for an additional month, through March, for loans backed by Fannie Mae and Freddie Mac. In total, relief is now available for more than 70 percent of single-family mortgages, according to the White House.

“The pandemic isn’t over, and our response can’t be either,” said Sen. Sherrod Brown, D-Ohio, chairman of the Senate Banking Committee, in a statement.

Those who can afford to make payments should continue to do so, HUD said. However, borrowers who are falling behind should contact their loan servicer to request forbearance and consider working with a HUD-approved housing counselor.

TAGGED: [Coronavirus](#), [Fannie Mae](#), [Foreclosures](#), [Freddie Mac](#), [Home Loans](#), [Housing](#)

keithlewis@cqrollcall.com

Source: **CQ News**

© 2021 CQ Roll Call All Rights Reserved.