

## Coronavirus Crisis Leads to Relief for Some Property Owners and Renters

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The Federal National Mortgage Association (“Fannie Mae”) and Federal Home Loan Mortgage Corporation (“Freddie Mac”) are major players in the mortgage marketplace by virtue of owning or guaranteeing huge numbers of mortgages originated by other lenders. Both are overseen by the Federal Housing Finance Agency (FHFA), which sometimes collectively refers to them as “the Enterprises.”

In response to the coronavirus crisis and directives from the FHFA, the Enterprises have implemented sweeping relief for coronavirus-impacted property owners with Enterprise-backed mortgages. The FHFA has set up a web page with information about coronavirus-related assistance:

<https://www.fhfa.gov/Homeownersbuyer/MortgageAssistance/Pages/Coronavirus-Assistance-Information.aspx>

Among other initiatives designed to help affected parties remain in their homes during this national emergency:

- Owners of multi-family properties may seek forbearance for up to 3 months of mortgage payment subject to certain conditions, including suspending evictions of tenants who are experiencing financial hardship during the forbearance period;
- Foreclosures and evictions with respect to single-family properties are being suspended for 60 days from March 18, 2020 (through May 17, 2020); and
- The Enterprises have directed servicers to give affected borrowers flexibility, and allow borrowers who are experiencing coronavirus-related financial hardship to suspend mortgage payments for up to 12 months.

In addition, the Enterprises are also taking steps to facilitate home sales and refinancings. For example, if lenders are unable to obtain verbal verification of a borrower’s employment status from his or her employer, they may alternatively rely on an e-mail from the employer or documentation.

While these initiatives only apply to borrowers with Enterprise-backed mortgages, they represent almost half of the U.S. mortgage market. In addition, borrowers whose mortgages are not Enterprise-owned or backed may nonetheless be able to obtain similar relief as lenders respond to the current situation and governmental pressure. For example, several large banks recently agreed with California authorities to a 90-day forbearance period for homeowners affected by the pandemic.

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### CAPABILITIES

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## RESOURCES

Renters may also benefit from a temporary suspension of evictions imposed by state and local courts. For example, in Orleans Parish, the First and Second City Courts have suspended all eviction hearings until April 13, 2020. In Jefferson Parish, the courts have announced they will continue all hearings in nonessential and non-sensitive civil cases; evictions will presumably thus be continued.

Stone Pigman attorneys are prepared to assist clients in navigating the emerging response to the ongoing pandemic.