

# COVID-19 SPOTLIGHT: MORTGAGE RELIEF OPTIONS

If you're among those financially impacted by the coronavirus pandemic, you might be concerned about how to pay your mortgage or rent. Federal and state governments have announced plans to help struggling homeowners during this time. Here are some options for mortgage and rental relief.

## CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

A new federal law, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, puts in place two protections for homeowners with federally backed mortgages:

- 1 A foreclosure moratorium of 60 days,
- 2 A right to forbearance for homeowners who are experiencing a financial hardship due to the COVID-19 emergency

If you don't have a federally backed mortgage, you still may have relief options through your mortgage servicer.



### Mortgage Forbearance

Forbearance is when your mortgage servicer/lender allows you to pause or reduce your mortgage payments for a period of time. Forbearance doesn't erase what you owe – you'll have to repay any missed or reduced payments in the future. Under the CARES Act, you can request up to 180 days of forbearance from your loan servicer.

Forebearance options depend on **1)** what type of loan you have and **2)** who services it.

Your mortgage servicer is the company that you send your mortgage payments to each month. If you don't know or can't remember who currently services your mortgage, start by looking at your mortgage statement for contact information.

Your loan must be federally owned or otherwise backed by one of the federal agencies in order for you to receive a benefit under the CARES Act. If you don't know who owns or backs your mortgage, you can call your servicer. The servicer has an obligation to provide you, to the best of its knowledge, the name, address and telephone number of who owns your loan.

## STOPPING FORECLOSURES



The South Carolina Supreme Court issued an order suspending any and all foreclosures until further notice. This includes federal and non-federal loans. Foreclosure is when the lender takes back the property after the homeowner fails to make required payments on a mortgage. This order stops lenders/servicers from starting or proceeding with any type of foreclosure against you.

## PROTECTION FOR RENTERS



If you are renting from an owner who has a federally backed mortgage, the CARES Act provides for a suspension or moratorium on evictions. If your landlord has a federally backed mortgage or multi-family mortgage, you cannot be evicted for nonpayment of rent for 120-days beginning on March 27, 2020, the effective date of the CARES Act. After the 120-day period is up, the landlord cannot require you, the tenant, to vacate until providing you with a 30-day notice.

If the property you rent isn't covered by the CARES Act, the SC Supreme Court put a freeze on pending evictions until May 1, 2020 and are preventing any new evictions until further notice. For updates on South Carolina court orders, visit the [SC Judicial Branch's website](#).

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# TIPS FOR ANYONE IN NEED OF MORTGAGE RELIEF



## HOW TO REQUEST MORTGAGE RELIEF



### Call your servicer.

You may have to wait because there are a lot of people in need right now. Have your account number handy and check their website first to see if there is any information you need before you call.

They may ask why you are unable to pay, if it's temporary or permanent, details about your finances and assets and whether you are a service member with a permanent change of station orders.

Questions you should ask include: What options are available to help temporarily reduce or suspend my payments? Are there forbearance, loan modification, or other options? Can you waive late fees?

Once you're able to secure forbearance or another relief option, ask your servicer to provide written documentation for the details of your agreement. Make sure you're familiar with the terms of your forbearance; some programs may require missed payments all at one time, or additional payments at the end of the mortgage might be required.

## DURING AND AFTER MORTGAGE RELIEF



- Keep written documentation on hand in case there are any errors on your monthly mortgage statements.
- Pay attention to your monthly mortgage statement to make sure you don't see any errors.
- Keep an eye on your [credit reports](#) to make sure there are no errors or inaccuracies. If you stop making mortgage payments without an agreement, the servicer will report this information to the credit reporting companies. This can have a lasting negative impact on your credit history. If an error has been made, you can dispute it.
- Once your income is restored, contact your servicer and resume your payments. With a forbearance, you still owe the payments you miss, but the fewer missed payments you incur means you'll owe less down the road.

## BEWARE OF SCAMS



### Here's what to watch for as scammers may:

- Pressure you to pay up-front fees
- Promise to get you a loan modification
- Ask you to sign over your deed
- Ask you to sign papers you don't understand
- Tell you to make payments to someone other than your servicer
- Tell you to stop making payments altogether
- Beware of imposters and cold-calls attempting to get you to verify private information.

Anyone offering credit counseling, including mortgage relief, must be licensed with SCDC.

To see if a counselor is licensed, visit [consumer.sc.gov](http://consumer.sc.gov)

For more information on filing a complaint or reporting a scam, visit [www.consumer.sc.gov](http://www.consumer.sc.gov) and "How Do I..."



South Carolina Department of Consumer Affairs  
293 Greystone Blvd., Ste. 400 • PO Box 5757 • Columbia, SC 29250  
(800) 922-1594 • [www.consumer.sc.gov](http://www.consumer.sc.gov)

