



**IMPORTANT INFORMATION FOR  
MORTGAGE HOLDERS DURING THE COVID-19 CRISIS**

(updated 4/23/2020)

**First, Determine Whether Your Mortgage is a Federally Backed Loan**

- A “federally backed mortgage loan” is a loan owned, insured or guaranteed by the Department of Housing and Urban Development (HUD), the Department of Veterans Affairs, the Department of Agriculture, Fannie Mae or Freddie Mac.
- You can find out if your loan is federally backed by calling your mortgage servicer. The servicer has an obligation to provide you, to the best of its knowledge, with the name, address, and telephone number of the entity that owns your loan. You can also find tools to help you access this information here: <https://www.nhlp.org/wp-content/uploads/foreclosure-protection-CARES-Act.pdf>.
- You should also look at your Deed of Trust. It should state whether you have a federally-backed loan. It will also list your rights, your lender’s rights, and tell you how the lender can foreclose. If you do not have a copy of your Deed of Trust, you can obtain it at your county’s Circuit Court. Contact the court to see how you can access public records during the crisis. You can find your court’s phone number at <http://www.courts.state.va.us/courts/circuit.html>.

**Foreclosure Moratorium (Pause) for Federally Backed Mortgages.**

- As a part of the CARES Act, Congress passed a foreclosure moratorium (a temporary stop in foreclosures) for federally backed loans. The moratorium runs from March 18, 2020 until May 17, 2020 and may be extended. The moratorium covers both judicial foreclosures and foreclosures conducted by auction.
- The moratorium covers borrowers with “federally backed mortgage loans” and tenants living in a property with such a loan. The moratorium does not cover non-federally backed mortgages.

**Forbearance for Federally Backed Loans**

- If you have a federally backed loan and you have experienced a financial hardship arising out of the COVID-19 crisis, the CARES Act also requires that your lender provide you with a forbearance up to 180 days. You also have the right to ask for another forbearance of up to 180 days.
- A forbearance means that you do not have to pay your mortgage for the forbearance period. The lender cannot charge fees, penalties or additional interest (beyond scheduled amounts) during the forbearance period.
- A forbearance *does not* mean that the deferred payments will be forgiven or waived. Once the forbearance ends, the borrower will still have to work with the mortgage servicer to bring the loan current through one of a number of methods including reinstatement by lump sum, repayment plan or loan modification.

- **You must contact your loan servicer to request this forbearance. It will not automatically occur.** You should tell your lender that you are experiencing a hardship related to COVID-19. You do not need to submit additional documentation to qualify.
- Once you secure forbearance or another mortgage relief option, ask your servicer to provide written documentation that confirms the details of your agreement.
- If you are in forbearance, you should monitor your credit to ensure that your late fees are not reported to the credit bureaus.

### **What if My Mortgage is Not Backed by the Federal Government?**

- There is no foreclosure moratorium on non-federally backed loans. Virginia is a non-judicial foreclosure state. This means foreclosures are held by public auction. Although the courts are closed until April 26, foreclosures can continue to occur.
  - Before your lender can foreclose, the lender must give you at least 14 days' notice of the time, place, and date of the foreclosure sale.
  - The lender must also advertise the sale in a generally circulated newspaper in your county. This can be at least once a week for two weeks or once a day for three days, depending on your Deed of Trust.
  - Any other requirements will be in your Deed of Trust. Read it carefully.
- Once a home sells at public auction, the new owner has to file an Unlawful Detainer in General District Court to evict you. Virginia courts are closed until at least April 26, 2020. This means that even if your home is sold at foreclosure, you do not have to leave your home right away. You can wait until the courts reopen, the unlawful detainer is heard and a judge grants the new owner an order of possession.
- If you have a mortgage loan that is not backed by one of the federal agencies or entities listed above, your servicer is not currently required to offer you forbearance. However, you should still contact your mortgage servicer and tell them that you have a COVID-19 related hardship. Your servicer should help you identify alternatives that may be available to you given your specific circumstances.
- One option available to you is a loan modification. If you are faced with foreclosure and you submit a complete mortgage assistance application 37 days or more before the sale date, your servicer must make a decision on your application before it can continue with the foreclosure process. This is also true if there is no sale date yet.
- To determine the options available to you, you should contact a free HUD certified mortgage default counselor to help you work through your options. In Virginia, this service is offered by:

**Housing Opportunities Made Equal**  
**626 E. Broad Street, Suite 400**  
**Richmond, VA 2319**  
**(804) 354-0641 (Voice); (804) 354-0690 (Fax)**  
**help@phonehome.org (email)**

## **Beware of Scams**

Scammers may try to take advantage of vulnerable homeowners during the COVID-19 crisis. If you seek help, make sure that you are dealing with only your servicer, a HUD certified mortgage default counselor, legal aid, or another trusted source. Watch out for scammers that offer to:

- Charge a high up-front fee for their services;
- Promise to get you a loan modification in exchange for a monetary payment;
- Ask you to sign over your property title;
- 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;
- Promise you payments in connection with providing credit card numbers and other personal information.

For more information regarding Foreclosures and Housing Issues, please contact:

- Call Southwest Virginia Legal Aid Society at 1-888-201-2772.
- Visit: <https://www.swvlegalaid.org/housing> for more information.
- Visit [www.valegalaid.org](http://www.valegalaid.org) for legal information for more information related to Foreclosure and housing issues and to locate the legal aid office that serves your area in Virginia.

*This is general legal information, not legal advice about a specific case. If you have questions or want advice about your individual case, please contact legal aid at the phone number listed above.*