



HUD Office of Housing Counseling 2021 Community Conference

August 9-12, 2021



Preventing Foreclosure Amid COVID-19

Tuesday, August 10th, 2021

2:00-3:00 PM EDT

Questions?

- Participants are in listen only mode
- Chat
 - Submit any technical issues via the Chat box
 - Send the message to the Host
- Q&A
 - Submit any content related questions via the Q&A box
 - Send to Host, Presenter and Panelists

The screenshot displays two overlapping windows from a software application. The background window is titled 'Chat' and has a dropdown arrow on the left. At the bottom, there is a 'To:' field with 'ICF Host' selected and a dropdown arrow, followed by '(Direct Message)' in red text. Below this is a text input field labeled 'Type message here...'. The foreground window is titled 'Question and Answer' and features a 'Welcome to Q&A' message: 'Questions you ask will show up here. Only host and panelists will be able to see all questions.' Below the message is a large text input field labeled 'Type your question here...'. At the bottom of this window, there is a checkbox labeled 'Send anonymously', and two buttons labeled 'Cancel' and 'Send'.

Whova

- Explore the **professional profiles** of event speakers and attendees
- Send **in-app messages** and **exchange contact info**
- **Network and find attendees** with common affiliations, educations, shared networks, and social profiles
- Receive **update notifications** from organizers
- Access the **event agenda**

Invitation code: OHCCConf2021



Presenters

Facilitators:

- Sid Alvarado, Lead Housing Counseling Specialist, ICF, TA Provider
- Joseph Sant, Subcontractor for ICF, TA Provider

Presenters:

- Jackie Boies, Senior Director of Housing and Bankruptcy Services, Money Management International (MMI)
- Veronica DePotty, Departmental Analyst and HUD Grant Manager, Michigan State Housing Development Agency (MSHDA)
- Beth Spring, Regulatory Implementation Fellow, Consumer Financial Protection Bureau (CFPB)
- Amanda Ward, Servicing Relationship Manager, Federal Housing Administration (FHA)

Agenda

- HUD COVID-19 Loss Mitigation Overview
- Updates from CFPB
- An agency's response to crisis amid COVID-19
- A SHFA's preparation and response to preventing foreclosure
- Q and A
- Additional Resources

Overview

- Homeowner hardships
- Moratoria and forbearance
- Housing counseling
- Homeowner Assistance Fund
- Additional Resources

Amanda Ward

Servicing Relationship Manager
Federal Housing Administration

HUD COVID-19 Loss Mitigation Overview

On July 23, 2021, HUD published ML2021-18, which must be implemented no later than Oct. 21, 2021.

This ML outlines the following changes to the HUD COVID-19 Loss Mitigation Options, which are designed to provide up to 25% P&I payment relief:

- extends the COVID-19 FC and eviction moratoriums for occupied properties through July 31, 2021;
- extends the initial COVID-19 FB start date and HECM Extensions to Sept. 30, 2021;
- provides additional COVID-19 FB and HECM Extension periods for certain borrowers;
- requires the Advance Loan Modification (ALM) be implemented no later than August 25, 2021;
- establishes the COVID-19 Recovery Home Retention Options, which include the following:
 - COVID-19 Recovery Standalone Partial Claim;
 - COVID-19 Recovery Modification; and
 - COVID-19 Recovery Non-Occupant Loan Modification
- streamlines the requirements for the COVID-19 Pre-Foreclosure Sale; and
- establishes the deadline by which Borrowers who have not been on a COVID-19 Forbearance may request COVID-19 loss mitigation assistance.

On July 30, 2021, HUD published ML2021-19, which further extended the foreclosure-related eviction moratorium for all FHA-insured mortgages, except for vacant or abandoned properties, through September 30, 2021.

HUD COVID-19 Forbearance Period Requirements

The COVID-19 Forbearance provides Borrowers who experience an adverse impact on their ability to make on-time Mortgage Payments due to the COVID-19 pandemic with a forbearance period, which allows for one or more periods of reduced or suspended payments without specific terms of repayment.

COVID-19 FB Period Based on Date of Initial COVID-19 FB

Initial FB Date	Initial FB Period	Additional FB Period	FB Extensions	Max FB Period	FB Period End Date
March 1, 2020- June 30, 2020	Up to 6 mo.	Up to 6 mo.	Up to 6 mo. (in 3-month increments)	Up to 18 mo.	May not extend beyond Dec. 31, 2021
July 1, 2020- Sept. 30, 2020	Up to 6 mo.	Up to 6 mo.	Up to 3 mo.	Up to 15 mo.	May not extend beyond Dec. 31, 2021
Oct. 1, 2020- June 30, 2021	Up to 6 mo.	Up to 6 mo.	0	Up to 12 mo.	May not extend beyond June 30, 2022
June 30, 2021- Sept. 30, 2021	Up to 6 mo.	0	0	Up to 6 mo.	May not extend beyond March 31, 2022

The American Rescue Plan Act of 2021 – HAF Funds

The American Rescue Plan Act of 2021 established the Homeowner Assistance Fund (HAF) in the US. Department of the Treasury in order to provide financial assistance to eligible homeowners who have suffered financial hardships during the COVID-19 National Emergency.

- Qualified expenses may include mortgage payment assistance, mortgage reinstatement, utilities, insurance, and other housing related costs.
- Mortgagees must inform Borrowers suffering financial distress that these additional resources may be available through their State.
- As permitted by the jurisdiction's HAF program, HAF funds may be used in connection with the Borrower's FHA-insured mortgage or any partial claim mortgage in a manner consistent with the respective mortgage documents and FHA requirements.

More information on HAF is available at: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/homeowner-assistance-fund>

Beth Spring

Regulatory Implementation Fellow

Consumer Financial Protection Bureau

Disclaimer

This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance, or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.

Homeowner Protections: Amendments to Regulation X

- On June 28, 2021, the Bureau issued the mortgage servicing final rule. The Rule has four main components:
 - The rule establishes temporary procedural safeguards to help ensure that borrowers have a meaningful opportunity to be reviewed for loss mitigation before the servicer can make the first notice or filing required for foreclosure on certain mortgages.
 - The rule temporarily permits mortgage servicers to offer certain streamlined loan modifications.
 - The rule temporarily requires expanded early intervention messages.
 - The rule also amends reasonable diligence timing.
- **The rule is effective on August 31, 2021.**

Homeowner Protections: Amendments to Regulation X

- **Give borrowers a meaningful opportunity to pursue loss mitigation options:** From August 31, 2021, through December 31, 2021, unless an exception applies, before referring certain 120-day delinquent borrowers to foreclosure the servicer must make sure at least one of the following temporary procedural safeguards has been met.
 - The borrower was evaluated based on a complete loss mitigation application and existing foreclosure protection conditions are met;
 - The property is abandoned; or
 - The borrower is unresponsive to specified servicer outreach (a borrower would not be considered unresponsive if the servicer is talking to their housing counselor).
- **Exceptions to the procedural safeguard:**
 - The foreclosure referral occurs (as permitted by applicable law) on or after January 1, 2022.
 - The borrower was more than 120 days delinquent prior to March 1, 2020.
 - The applicable statute of limitations will expire before January 1, 2022.

Homeowner Protections: Amendments to Regulation X

- **Allow mortgage servicers to help borrowers faster:** Under the new temporary rule, servicers can offer streamlined loan modifications to borrowers with COVID-19-related hardships without making borrowers submit all the paperwork for every possible option.
 - These streamlined loan modifications cannot increase borrowers' payments and have other protections built into them. With this flexibility, servicers can get borrowers into affordable mortgage payment plans faster, with less paperwork for both the servicer and the borrower.

Homeowner Protections: Amendments to Regulation X

- **The amendments give borrowers more information:** Servicers are required to discuss specific additional COVID-19-related information during the live contacts with delinquent borrowers that are already required under existing rules in two circumstances: (1) if the borrower is delinquent but not in forbearance; and (2) if the borrower is near the end of a COVID-19 related hardship forbearance.
 - Among other requirements, the servicer must tell the borrower at least one way that they can find contact information for homeownership counseling services, such as referencing the borrower's periodic statement.
 - This requirement only applies until October 1, 2022.
- **They ensure borrowers are contacted at least 30 days before the end of their forbearance period:** If a borrower is in a COVID-19-related hardship short-term payment forbearance program that was offered based on an evaluation of an incomplete application, the rule specifies that a servicer must contact the borrower no later than 30 days before the end of the forbearance period if the borrower remains delinquent.

Housing Portal: Resources for Homeowners

With the temporary rule changes in place, homeowners exiting forbearance will have the time and support to make the decision that best fits their individual needs. The Bureau also has several resources for homeowners such as the housing portal which includes information on where to turn for expert help.

? Get expert help

Talk to a housing counselor

For help talking to your mortgage servicer or understanding your options, contact a HUD-approved housing counseling agency in your area. Housing counselors can develop a tailored plan of action and help you work with your mortgage company, at no cost to you.

[Talk to a housing counselor](#)

Talk to a lawyer

If you need a lawyer, there may be resources to assist you, and you may qualify for free legal services through legal aid. If you're a servicemember, you should consult with your local [Legal Assistance Office](#).

[Find a lawyer in your state](#)

Submit a complaint

If you have a complaint with your mortgage or forbearance plan, tell us about your issue—we'll forward it to the company and work to get you a response, generally within 15 days.

[Submit a complaint](#)

<https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/help-for-homeowners/>

Encourage Borrowers to Submit a Compliant

If a borrower is having trouble with their mortgage servicer, they can submit a complaint. Complaints give us insights into problems people are experiencing in the marketplace and help us regulate consumer financial products and services under existing federal consumer financial laws, enforce those laws judiciously, and educate and empower consumers to make informed financial decisions.

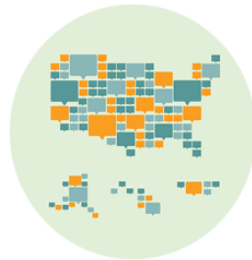
98%

of consumers
receive timely
responses

Submitting a complaint helps you

We help consumers connect with financial companies to understand issues, fix errors, and get direct responses about problems. When you submit a complaint we work to get you a response—most companies respond to complaints within 15 days.

[Learn how the complaint process works](#)



Submitting a complaint helps others

By coming to us, you aren't just helping yourself. Your complaints play a role in everything we do, helping us to identify problems and prioritize our work.

[Discover how we use complaint data](#)

Jackie Boies

Senior Director of Housing and Bankruptcy Services
Money Management International

Providing Housing Counseling Amid COVID-19

Housing Counseling Agencies Respond to Crisis

2008–2018, the National Foreclosure
Mitigation Counseling (NFMC) program
served



2.14 million homeowners

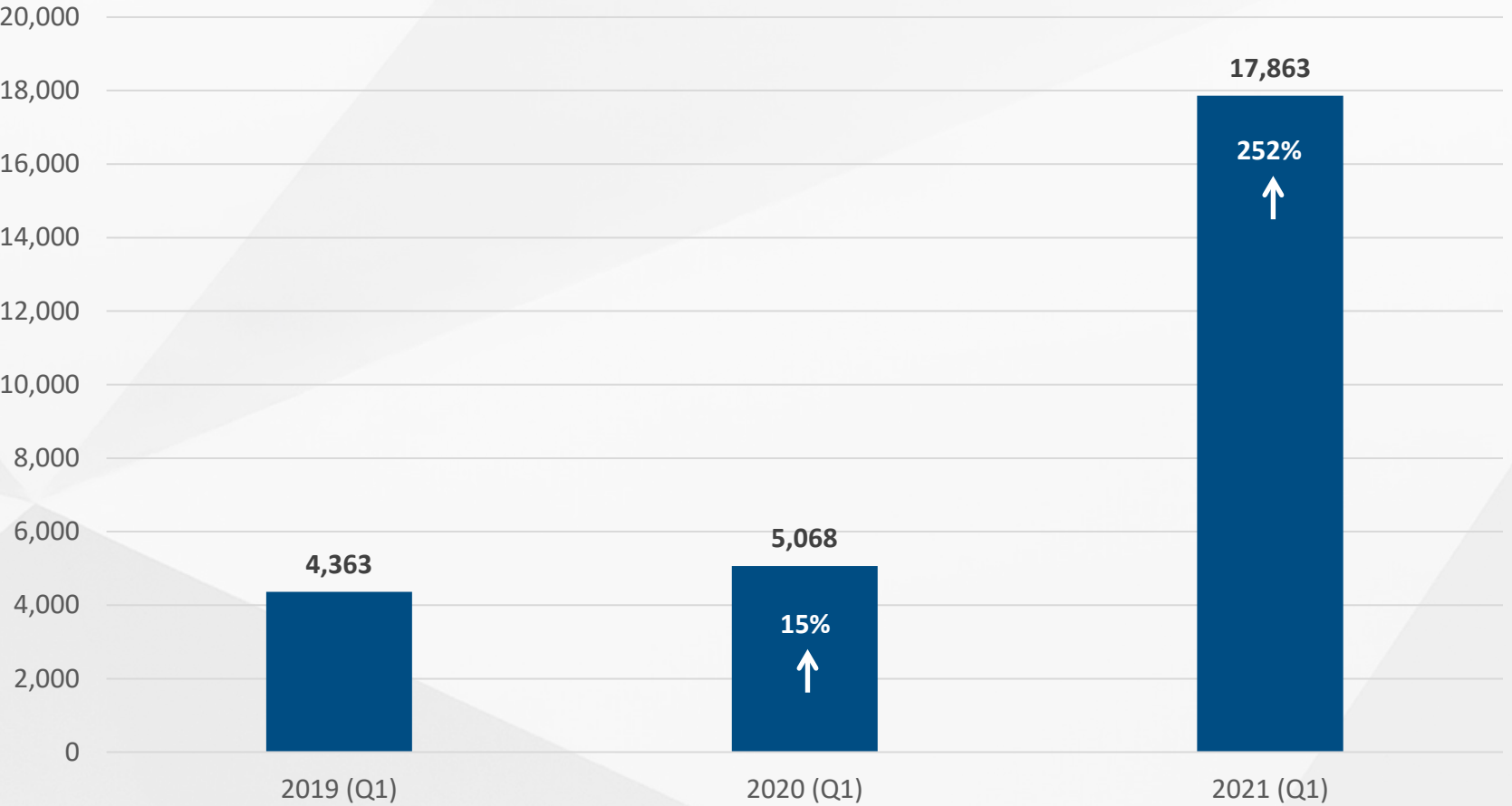
Providing Housing Counseling Amid COVID-19

**Housing Counseling Agencies
Respond to Crisis**

COVID Pandemic Response



SURGING HOUSING & DISASTER SESSIONS IN 2021



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Housing
Counseling
Amid COVID-19**

Forbearance by the numbers

% of servicers' portfolio volume in forbearance

3.48%

Estimated homeowners in forbearance

1.74 million

Mortgage Bankers Association Data as of 7/26/2021

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Amid COVID-19**

Forbearance by the numbers

- **9.8%** of total loans in forbearance are in the initial forbearance plan stage
- **83.2%** are in a forbearance extension
- **7.0%** are forbearance re-entries

Mortgage Bankers Association Data as of 7/26/2021

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Forbearance exits June 1, 2020, through July 18, 2021

%	Exit Reason
28.00%	loan deferral/partial claim.
23.20%	continued to make their monthly payments during their forbearance period
15.70%	did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place
13.40%	reinstatements, past-due amounts are paid back when exiting forbearance
10.80%	loan modification or trial loan modification.
7.40%	loan paid off through either a refinance or by selling the home
1.50%	repayment plans, short sales, deed-in-lieus or other reasons

Veronica DePotty

Departmental Analyst and HUD Grant Manager
Michigan State Housing Development Agency

Reasons for Predicted MI Foreclosure Rise

- Michigan has seen an increase in home sales categorized as “high risk”
 - Purchase offers most often exceed asking price
 - Offers remove all contingencies including home inspections
 - Depleting personal savings for larger purchase
 - Purchasing homes that require extensive renovations
- Homeowners were not fully prepared for the forbearance program
 - 48% of these owners were unaware of the terms and conditions that came with the forbearance programming
 - 68% did not save the extra funds that were provided under the federal COVID relief aid

Preparations For Meeting Increase in Demand

- Commitment to being prepared for seeing a 65% increase in mortgage default counseling in the next 4 to 18 months
- MSHDA's Housing Assistance Fund (HAF) will coordinate relief dollars with housing counseling services
- MSHDA sponsored COVID-19 rental and mortgage delinquency training to entire network
- Agencies have completed the following steps to meet the increased need:
 - Increased their service areas
 - Added counseling staff
 - Improved service delivery methods and technology for remote service delivery

Ongoing Agency Training and Technical Assistance

- 5 of 34 counseling agencies experienced a staffing loss (3) HUD certified housing counselors and (3) program managers
- Agencies concerned with uptick in services vs. staffing capacity losses
- MSHDA will be offering the following opportunities to agencies in 2021:
 - Agency training on successful succession planning
 - Director/Manager training on avoiding staff “burn out” & permission to set boundaries
 - Hosting individual agency team coffee hours outside of monthly team meetings

Questions and Answers



Office of Housing Counseling



- **Event Webpage:**
www.hudexchange.info/programs/housing-counseling/2021-virtual-conference/
- **Find us at:**
www.hudexchange.info/counseling
- **Email us at:**
Housing.counseling@hud.gov

Today's Sessions

Tuesday, August 10th, 2021

12:00-1:00 PM EDT	Financial Well-being in Housing
2:00-3:00 PM EDT	Preventing Foreclosure Amid COVID-19
3:30-4:30 PM EDT	Preventing Eviction Amid COVID-19



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Thank You for Attending!