What happens after a forbearance plan?

A forbearance plan helps with short-term hardships by reducing or suspending payments for a period of time. At the end of a forbearance plan, you must repay any missed amounts — but you have options.

What is a forbearance plan?

A forbearance plan allows you to reduce or suspend mortgage payments while you regain financial footing. You request a forbearance plan from your mortgage servicer (the bank or company you send your mortgage payments to each month) and develop the best forbearance plan option based on your financial situation. About 30 days before your plan is set to end, your servicer will attempt to get in touch to work with you to determine an approach to repay the amount you owe.

At the end of your forbearance plan, you must repay all reduced or suspended payments, but you have **options**. Remember, you **do not have to repay the missed amount all at once**
unless you are able to do so.

After your COVID-19 hardship is resolved

Reinstatement
Pay the total missed amount all at once. With this option, you can get back to your regular monthly mortgage payments right away.

Repayment plan
Repay a portion of the missed amount each month if you can afford the regular monthly payments plus an additional amount. The missed amount is repaid over a period of time and must be made with the regular monthly mortgage payment. Your monthly mortgage payment will be higher during the repayment plan and return to the regular monthly payment after the plan.

COVID-19 payment deferral
Resume making regular monthly mortgage payments. This option resolves the hardship by adding the missed amount (including any escrow advances made on your behalf for taxes and/or insurance) to the end of the loan without charging interest on such amounts. The deferred amount is due on the last mortgage payment date (or earlier whenever the home is sold, or the loan is refinanced or otherwise paid off). This option keeps the regular monthly principal and interest payment the same as before the hardship. Note that escrow payment adjustments for taxes and insurance may affect your total monthly payment.

Loan modification
If you have experienced a permanent impact to your ability to pay your regular monthly mortgage payment, your mortgage servicer may discuss a loan modification option. After you make several payments under a trial period plan, your monthly mortgage payments will be permanently modified to what may be a lower amount through a rate reduction and a term extension to 40 years (480 payments) from the effective date of the modification. By extending your term, your payment may be reduced, but you may pay more total interest because the loan is extended over a longer period of time.

Learn more

Contact **Fannie Mae's Disaster Response Network™** for free counseling to help navigate your personal financial situation.

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