

Mortgage Trouble?

If you have experienced a financial hardship as a result of COVID-19, you may be eligible for a forbearance plan. A forbearance plan allows you to reduce or suspend mortgage payments while you regain financial footing. And, although you are required to repay the missed amounts, you do not have to pay all at once unless you are able to do so.

Steps to a forbearance plan

- Step 1** Call your mortgage servicer
This is the company that you pay your mortgage to each month.
- Step 2** Request forbearance
Work with your dedicated servicing representative to evaluate your options and identify the best forbearance approach for your situation. You will get a copy of your forbearance plan terms in writing from your servicer.
- Step 3** Choose repayment program
Your servicer will contact you about 30 days before your forbearance plan is scheduled to end and work with you to determine the best plan to repay the missed amounts.
- Step 4** Resume mortgage payment and catch up on missed amounts
At the end of your forbearance plan, you must repay the missed amount, but you have options.

Options after a COVID-19 hardship or forbearance plan

Once your COVID-19 hardship is resolved, you have options.



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, but will return to the regular monthly payment.



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 any 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 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.



Forbearance extension

If your temporary hardship remains, you may be able to extend the forbearance plan.



Fannie Mae

For more information visit www.fanniemae.com/heretohelp/kyo