

Step 1: Determine Nature of Hardship

- Let's get started.
- Are you calling because of a problem you're having with making your monthly mortgage payments?
- *[If borrower answers "yes. "] Tell me about your situation and how it is affecting your financial circumstances.*
[NOTE TO SERVICER: Ask appropriate questions to elicit details about the Borrower's situation.]
- Is the financial hardship directly or indirectly related to the COVID-19 National Emergency?
 - *[If Borrower answers "yes," Servicer should **proceed to Step 2 below.***
 - *If Borrower has experienced a financial hardship directly or indirectly related to the COVID-19 National Emergency (e.g., unemployment, reduction in regular work hours, or illness of a borrower/co-borrower or dependent family member), Servicer should **proceed with script below.***
 - *If Borrower has a hardship that has impacted their ability to make their monthly mortgage payment, but the hardship is **not** directly or indirectly related to the COVID-19 National Emergency, Servicer should proceed with normal loss mitigation scripting.*
 - *If Borrower has no hardship, Servicer should use customary exit language.]*

Step 2: Follow this script if Borrower has a financial hardship related directly or indirectly to the COVID-19 National Emergency.

- Thank you for sharing this information. I'm so sorry to hear about your financial hardship.
- We have mortgage relief solutions to help homeowners facing a financial hardship because of COVID-19.
 - *[Servicer should check guidelines to confirm whether the homeowner is eligible for a forbearance program]*
 - *[If borrower is eligible, proceed to Step 3.]*
 - *[If borrower is not eligible, servicer should go to the normal loss mitigation script.]*

Step 3: Introducing Forbearance

- Special programs are available and designed for homeowners who are experiencing a temporary income loss, or even longer-term financial hardships attributed to COVID-19.

- **[Fannie Mae] or [Freddie Mac]**—the investor in your loan—has a number of assistance programs to help you keep your home even when you are having difficulty making your monthly mortgage payment.
- Based on what you have told me about your current situation, you are eligible for a **forbearance plan**. Let me tell you about forbearance and please feel free to ask me any questions as we go along.
 - **Forbearance** is when we allow you to temporarily reduce your mortgage payment or suspend or pause making your mortgage payment for a period of time.
 - You will still be required to pay back the missed payments eventually, but there will be no additional fees or penalties added to your account during the forbearance period.
- Forbearance can help you deal with temporary financial hardships by reducing or suspending your mortgage payment for a short period of time, for example, pausing payments for a 3- or 6-month period while you regain your financial footing.
- **Forbearance does not mean your payments are forgiven.** You will still be required to pay back the missed payments eventually, but **you won't have to repay it all at once—after your forbearance ends unless you are able to do so.**
- Does the forbearance program seem like an option that could be helpful to you in your current situation?
 - *[If borrower answers “yes”, proceed to Step 4. If borrower answers “no”, ask her/him to tell you any concerns or questions they have.]*
 - *[If borrower asks you to explain the repayment options first:]* I will explain the programs for catching you up on your missed payments later. Programs for repayment may include repaying the missed payments at the end of forbearance, setting up a repayment plan that allows you to make up the missed payments over a period of time, or moving your missed payments into a deferred balance fully due and payable when you sell your home (called a pay deferral), refinance and be due at the end of the mortgage or setting up a modification that may modify your loan to reduce your monthly mortgage payment and extends the term of your mortgage.
- **NOTE TO SERVICER:** *If a forbearance is not appropriate for Borrower, proceed with/switch to normal loss mitigation script.*

Step 4: Forbearance Program Details

NOTE TO SERVICER: *Servicer should educate the borrower on the impact of longer forbearances and allow the borrower to ask questions. Use the information about the borrower's individual hardship to inform the appropriate length of the forbearance term. You might start at a middle ground, 3 months for example, and work up or down, depending upon the needs of the borrower and applicable law. A sample script for this is provided below:*

- The Forbearance period—which is the period of time during which your mortgage payments are reduced or paused—can vary depending on the impact of your financial hardship. You may be able to get forbearance for up to 180 days (about 6 months). You could also to request an extension for another 180 days beyond that if your hardship continues.
- Remember, you will have to pay back the missed payments following forbearance, but you don't need to pay it back all at once if you are not able to do so. The longer the forbearance period and the less you pay during the forbearance, the more money you'll owe in missed or reduced mortgage payments.
- **NOTE TO SERVICER:** *The objective is to come to agreement on a reasonable forbearance period depending on the needs of the borrower and applicable law.*
 - Based on your situation, are you able to make partial mortgage payments, or are you not able to make any payments at all during the forbearance period?
 - *[If borrower says, "partial payments," ask the borrower what they would be able to pay.]*
 - *[If the borrower does not make a specific request, servicer may suggest: It sounds like [__three] months is a reasonable forbearance period based on your financial hardship. We will stay in touch with you during the forbearance period and can extend it if your hardship is continuing. Remind the borrower that missed or reduced payments will have to be repaid following forbearance, even though they won't have to be repaid all at once unless the borrower is able to do so. Remind the borrower that the forbearance period can be extended, if needed (i.e., if their hardship is not resolved) and it can also be shortened at their request.]*
- *[Once the borrower agrees on the length of the forbearance period, confirm that agreement. Restate the agreed upon forbearance:]*To summarize, you have requested to:
 - Pause your mortgage payments for X months beginning [next / this] month
 - *Or,* Reduce your monthly mortgage payment to \$xxxx.xx for X months beginning [next / this] month.
 - Is that correct? Or Does this work for you? *[If not, go back a few steps to arrive at an acceptable payment and/or term of forbearance.]*
 - We will send you a written agreement that summarizes the terms of your forbearance plan.

Step 5: What happens next

- After this initial forbearance period of ____ months, we'll reevaluate your situation and, if you are still financially impacted by COVID-19, we can (may) extend your forbearance period, if needed.

- If your situation changes and you can resume making your monthly payments before the end of the forbearance period, let us know so that if you are able to shorten your forbearance period we can do that and reduce the amount that you will need to repay following forbearance. If you can make partial payments during the forbearance period, please do so, because it will reduce the amount you will need to repay following forbearance.
- It's *really important* to understand that the amount of your payment that is either reduced or suspended will still need to be repaid—but not until after the forbearance -- **and you will not have to pay it all at once if you are not able to do so.**
- During the forbearance, we will not charge penalties or late fees for any reduced or suspended payment.
- [*Servicer should check if borrower pays taxes, insurance or HOA/condo fees directly instead of via escrow. If that is the case, remind the borrower to continue making these payments directly during the forbearance period.*]
- We will send you a written agreement that summarizes the terms of your forbearance plan.
- Do you have any questions?

Step 6: Forbearance repayment

- Let's talk about what happens at the end of the forbearance.
- At the end of your forbearance you will have to repay the amount of reduced or paused payments, but you are not required to do so all at once if you are not able to do so.
- The repayment options at the end of the forbearance may include:
 - "Reinstatement" which means paying the total amount due, if you are able to do so.
 - Or, we can set up a [repayment plan](#), which will let you catch up gradually while you are paying your regular monthly payment.
 - If you cannot afford the increased monthly payments to catch up gradually through a repayment plan, but you can resume making your normal monthly payment, we can look at other ways of paying back the missed payments in an affordable manner.
 - If you have a long-term reduction in income resulting from the crisis, then we can look at a "loan modification," which actually changes some of the terms of your loan.
- That's a brief summary of options that may be available after your forbearance ends.
- Do you have any questions?

Step 7: Closing and additional resources

- If you'd like information on how to deal with any broader financial challenges you may be facing, you can call:
 - [*depending on investor*]

- Fannie Mae's Disaster Response Network at 877-833-1746 *[or Freddie Mac's national Borrower Help Network at 877-300-4179]* to talk to HUD-approved housing counselors for free. They can provide free assistance that includes financial education and mortgage help services.
- In summary, here are the key points to remember about your forbearance plan:
 - You have requested and will be granted forbearance relief for X months during which time you will make [no mortgage payments] *or* [a reduced mortgage payment of \$XXXX.XX].
 - *[If applicable]* You will continue making [Insurance] [property tax] [HOA or condo fees] payments directly yourself.
 - We will send you a written agreement that summarizes the terms of your forbearance plan.
 - You may shorten the forbearance period at any time, or you may request an additional forbearance period if needed for more time to resolve your financial hardship.
 - We will reach out to you about 30 days before your forbearance plan is scheduled to end to determine next steps.
 - At the end of your forbearance you will resume monthly mortgage payments and you will have to repay the amount of reduced or suspended payments – although not all at once if you are not able to do so.
 - Do you have any questions?
- While you're in the forbearance period, there are a few things you can do to protect yourself:
 - Keep notes, paperwork and documentation on hand. This includes paying attention to your monthly mortgage statements so you can ensure that your statement reflects the assistance provided.
 - If you have your mortgage payment deducted automatically from your bank account, adjust or stop auto-payments for your mortgage.
 - Keep an eye on your credit. It's a good idea to routinely check your credit reports.
 - [Proceed with the process for finalizing the forbearance.]