

FAQS for Homeowners Impacted by the COVID-19 Pandemic

Q: What is a mortgage forbearance?

A: A mortgage forbearance is a temporary pause or reduction in your mortgage payments. A forbearance does not eliminate or reduce the amount you owe, and you will have to repay any missed or reduced payments in the future. While on a CARES Act forbearance plan, you should not incur late fees or experience negative credit reporting.

While your forbearance is active, monitor your monthly mortgage statements for any potential errors. Before your forbearance period ends, reach out to your servicer to discuss your current financial situation. Your servicer should work with you to determine the appropriate next steps to address the skipped or reduced payments during your forbearance. These steps may include an extension of the forbearance period or a more permanent resolution, like a loan modification.

More information about forbearance plans is available on the Consumer Financial Protection Bureau website: [CFPB forbearance video](#) and [CFPB Guide to coronavirus relief options](#).

Q: What happens at the end of my forbearance? What options are available to me to bring my loan current?

A: Before the end of your forbearance plan, you should reach out to your servicer to discuss your financial situation and make arrangements to repay any amount suspended or paused during your forbearance.

There are several options available, but they can be different depending on the type of loan you have. Ask your servicer what your options are and what actions you need to take.

More information about repayment options is available on the Consumer Financial Protection Bureau website: [CFPB Forbearance Repayment Options](#)

Q: How do I know what mortgage assistance options are available to me due to the COVID-19 pandemic?

A: If you have been financially impacted by the COVID-19 pandemic and are concerned about making your mortgage payment, please reach out to your mortgage servicer to request assistance. Your servicer should help you identify options that may be available to you, given your specific circumstances.

Additional information can be found on the Consumer Financial Protection Bureau's website: [CFPB Guide to Mortgage Assistance](#).

Please note that loan servicers are also impacted by the pandemic and may be experiencing staffing and technology limitations and high call volumes. In addition to contacting the servicer by phone, assistance may be offered through your servicer's website.

Q: How do I identify mortgage relief scams?

A: If you are behind on your mortgage, beware of mortgage relief scams. There is free [foreclosure help](#) for North Carolina homeowners. If anyone tries to charge you in advance for help or guarantees that they can stop your foreclosure, they're not legitimate.

Here are some red flags that can help you spot and avoid mortgage relief scams:

- You're asked to pay up front for help.
- The company guarantees it will get the terms of your mortgage changed.
- The company guarantees you won't lose your home.
- You're instructed to send your payment to someone other than your mortgage company or servicer.
- You're told to stop paying your mortgage.
- The company says they're affiliated with the government or uses a logo that looks like a government seal but is slightly different.

If you see one of these warning signs, take your business elsewhere.

More information is available on the Consumer Financial Protection Bureau website, including [how you can avoid foreclosure](#) and [tips for working with your mortgage servicer](#).

Q: What mortgage relief does the Coronavirus Aid, Relief, and Economic Security (CARES) Act give to homeowners?

A: The CARES Act puts in place two protections for homeowners with federally backed mortgages:

- A foreclosure moratorium
- A right to forbearance for homeowners who are experiencing a financial hardship due to the COVID-19 emergency

Federally backed mortgages include USDA, FHA, VA, Freddie Mac, and Fannie Mae home loans.

To learn how to identify if your loan is a federally backed mortgage, visit the Consumer Financial Protection Bureau website: [Mortgage Look Up Options](#).

Q: Does the Governor's executive order provide additional guidance or require mortgage companies to take a specific action?

A: No, but [Executive Order 124](#), Governor Cooper urges North Carolina regulated mortgage companies to provide assistance to homeowners impacted by the COVID-19.
