



## COVID-19 Forbearance Script for Servicer Use with Homeowners

### Step 1: Determine Nature of Hardship

- Let's get started.
- Tell me about your situation and how it is affecting your housing circumstances.

**NOTE TO SERVICER:** Servicer should ask appropriate questions to elicit details about the Borrower's situation.

- 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 which 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 are prepared to work with you on a workout solution to ease some of your burden.
- We have programs that are available to help homeowners facing a financial hardship because of COVID-19.

### Introducing Forbearance

- Fannie Mae—the investor in your loan—has a number of assistance programs that can help you keep your home even when you have payment challenges.
- Special programs are available and designed for temporary income loss or even longer-term financial hardships attributed to COVID-19.
- Based on what you have told me about your current situation, the most appropriate program is called a **forbearance plan**. Forbearance is designed to help with financial hardships by reducing or suspending your mortgage payment while you regain your financial footing.
- Forbearance involves suspending all or part of your mortgage payment, so you will not have to pay your full monthly payment during forbearance.
- **Forbearance does not mean your payments are forgiven.** You are still required to eventually fully repay your forbearance, **but you won't have to repay it all at once—unless you are able to do so.**
- After this initial payment break 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 your financial situation changes, we can adjust the length of the forbearance at any time during the forbearance period. You should contact us about any change in your circumstances so that your forbearance period is not unnecessarily prolonged.
- It's really important to understand that the amount of your payment that is reduced or suspended still needs to be repaid—but not until after the forbearance period ends. I also need to remind you that if you pay your taxes, insurance, or HOA/Condo fees separately from your mortgage, then you must continue making those payments during forbearance.
- If you can make partial payments, it will reduce the amount outstanding at the end of the forbearance period.
- As we work with you on the next steps after the forbearance, the best solution will depend on your financial situation when your forbearance plan has concluded.
  - If you are able to afford it, you can reinstate which means paying the total amount due, or we can set up a repayment plan, allowing you to catch up gradually while you are paying your regular monthly payment.
  - If you can't afford the additional amount, but you can resume making your normal monthly payment, we can leverage alternative ways of paying back the suspended payments in a manner that is affordable.
  - If you have a sustained reduction in income resulting from the crisis, then we can look at a modification (changes to the terms of your loan) that might suit your new circumstances; those changes will aim to reduce your original monthly payment amount.
- We'll reach out to you about 30 days before your forbearance plan is scheduled to end to determine which assistance program is best for you at that time—a repayment plan, loan modification, or even an extension of the forbearance period if needed.
- Do you have any questions at this time?