



News Release

Temporary Policy Allowing Purchase of Qualified Loans in Forbearance Extended

August 31, 2020 is new expiration date

FOR IMMEDIATE RELEASE

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Washington, D.C. – To support homeowners and mortgage lenders, the Federal Housing Finance Agency (FHFA) approved an extension of the temporary policy that allows for the purchase of certain single-family mortgages in forbearance that meet specific eligibility criteria set by Fannie Mae and Freddie Mac (the Enterprises). The policy is extended for loans originated through August 31, 2020.

Earlier this year, FHFA and the Consumer Financial Protection Bureau (CFPB) announced the Borrower Protection Program to ensure borrowers are protected during the coronavirus national emergency and facilitate related information sharing. To ensure that borrowers are qualifying for mortgages they can afford, FHFA will be sharing with the CFPB aggregated data on loans that enter forbearance before delivery to the Enterprises. The data sharing will allow FHFA to fulfill its obligation under the so-called “QM Patch” to ensure that loans sold to the Enterprises are complying with the intent of Dodd-Frank’s ability to repay provisions.

“Extending the Enterprises’ ability to purchase these previously ineligible loans will help provide liquidity to mortgage markets. That said, to make homeownership sustainable, lenders have a responsibility to ensure that borrowers can make their monthly mortgage payment,” said Director Mark Calabria.

During the COVID-19 pandemic, some borrowers have sought payment forbearance shortly after closing on their single-family loan and before the lender could deliver the mortgage loan to the Enterprises. Normally, mortgage loans in either forbearance or delinquency are ineligible for delivery under Enterprise requirements. In April, FHFA **announced a temporary policy** of allowing certain single-family mortgages in forbearance to be delivered. Today’s extension continues this policy for loans originated through August 31, 2020. Eligible loans will continue to be priced to mitigate the heightened risk of loss to the Enterprises from these loans. These prudential measures also ensure fulfillment of the Enterprises’ charter requirements to only purchase loans that meet the purchase standards imposed by private, institutional mortgage investors.

FHFA will continue to monitor the coronavirus’ impact on renters, borrowers, and the mortgage market and update policies as needed. To better understand the protections and assistance the government is offering, please visit the joint Department of Housing and Urban Development, FHFA, and CFPB website at [cfpb.gov/housing](https://www.cfpb.gov/housing).

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