



FEDERAL HOUSING FINANCE AGENCY
Office of the Director

December 1, 2017

Americans for Financial Reform
Center for American Progress
Center for New York City Neighborhoods
Center for Responsible Lending
Consumer Action
Empire Justice Center
Jacksonville Area Legal Aid, Inc.
The Leadership Conference on Civil and Human Rights
National Community Reinvestment Coalition
National Community Stabilization Trust
National Consumer Law Center
National Fair Housing Alliance
National Housing Resource Center
National Low Income Housing Coalition
UnidosUS

Dear Stakeholders:

Thank you for your October 30, 2017 letter about mortgage relief options for homeowners living in areas affected by the recent hurricanes and wildfires. I share your concerns about the challenges that homeowners face, including making their mortgage payments, while dealing with the effects of living through a natural disaster.

To help address these concerns, the Federal Housing Finance Agency (FHFA) has worked closely with Fannie Mae and Freddie Mac (the Enterprises), industry stakeholders, and government agencies to address the impacts of these events on homeowners – including their ability to make urgent repairs, begin the rebuilding process, and continue making regular mortgage payments. Drawing from our experience following Superstorm Sandy and Hurricane Katrina, many of your recommendations are already included in the Enterprises' list of disaster relief options.

The Enterprises published notifications to remind impacted homeowners with Enterprise mortgages that they may be eligible to stop making their monthly mortgage payments in 3-month intervals for up to 12 months. At the end of this temporary payment break homeowners would not be subject to late fees, would not have delinquencies reported to the credit bureaus, and would not have to catch up on missed payments all at once. The Enterprises also notified borrowers that if they needed longer term assistance, they could receive a modification that would allow them to resume their existing mortgage payments after up to 12 months of forbearance, or that they could receive other forms of payment assistance by contacting their

servicer. Enclosed is a flyer about relief options (published in English, Spanish, and Vietnamese) that was widely circulated to stakeholders, Congressional officials, and federal, state, and local government agencies. FHFA and the Enterprises utilized social media, as well as outreach to national and local media, to disseminate this information to affected homeowners.

The Enterprises also directed servicers to suspend any foreclosure sales, until December 31, 2017 on properties located within the Federal Emergency Management Agency (FEMA)-declared disaster areas eligible for Individual Assistance as a result of the recent natural disasters. The Enterprises also imposed an eviction suspension on REO properties located within FEMA-declared disaster area eligible for Individual Assistance through December 31, 2017.

On November 2, 2017 in response to input from servicers and housing advocates, the Enterprises introduced additional temporary changes to their existing disaster response policies by offering a product that simply extends a borrower's payment timeline by the number of payments deferred as a result of the natural disaster. This policy change avoids a borrower being charged additional interest because payments were deferred.

Other temporary policy changes announced for homeowners affected by the disasters:

- Ensure that homeowners have direct access to a larger share of their insurance proceeds during the repair process to make urgent repairs;
- Make it easier for homeowners to complete work by permitting inspections after a larger share of the proceeds are spent; and
- Increase the pool of eligible contractors to complete repair work in the affected areas by modifying the eligibility requirements for contractors.

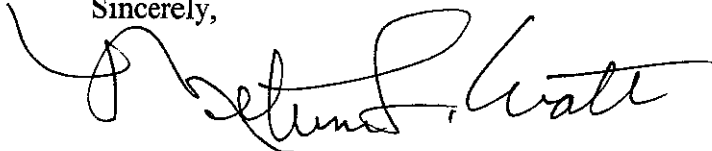
These policies apply to any Enterprise mortgage where the property securing the mortgage loan, or the borrower's place of employment, is located in a FEMA-declared disaster area eligible for Individual Assistance due to a natural disaster on or after August 25, 2017.

Additional detail on the policies can be found at:

- Fannie Mae: <https://www.fanniemae.com/content/announcement/111709.pdf>
- Freddie Mac: <http://www.freddie.mac.com/singlefamily/guide/bulletins/pdf/bl11725.pdf>.
- FHFA: <https://www.fhfa.gov/Homeownersbuyer/MortgageAssistance/Pages/Disaster-Assistance.aspx>

If you have any additional questions or concerns please contact Maria Fernandez, Senior Associate Director, Office of Housing and Regulatory Policy, at 202-649-3103.

Sincerely,



Melvin L. Watt

Enclosure

cc: Honorable Ben Carson
Honorable Sonny Perdue
Honorable Mick Mulvaney
Honorable David Sulkin
Mr. Michael Bright