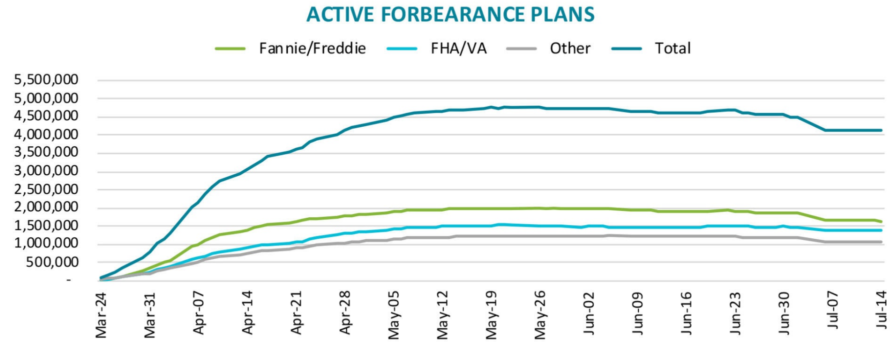
Forbearance Plan Numbers at Lowest Levels Since May

There was **another decline in forbearance starts this past week** and the number of loans in active plans also fell for the third straight week. Black Knight's weekly report on COVID-19 related forbearances reported a total of 4.12 million loans that have been granted forbearance, allowing borrowers to omit or reduce mortgage payments due to financial impacts related to the pandemic. The total is down 27,000 loans compared to the previous week and beings the share of these loans down to 7.77 percent from 7.82 percent of total servicer portfolios. **This is the lowest rate since the peak in late May.** The loans account for $900 billion in unpaid mortgage balances.

Black Knight notes that **the decline in actives forbearances came almost entirely from GSE** (Freddie Mac and Fannie Mae) portfolios. Those loans fell by 35,000 from the previous week to 1.643 million. Now only 5.9 percent of the combined GSE portfolios is in forbearance. Another 2,000 loans fell out of the forbearance portion of the private label/portfolio servicing total, leaving a total of 1.065 million or 8.2 percent of those totals. The number of FHA/VA loans in forbearance increased by 10,000 to 1.409 million, a 11,6 percent share.



With the decline in the number of GSE loans in forbearance Black Knight now estimates that Fannie Mae and Freddie Mac have a combined monthly obligation to advance $1.8 billion in principal and interest (P&I) payments to investors and make another $0.7 billion in tax and insurance premium (T&I) payments. The obligation of servicers of FHA and VA loans is an aggregate of $1.36 billion in P&I payments and $0.5 billion in T&I. The two advances from servicers of other loans could be as high as $1.8 billion and $0.6 billion per month, respectively.

Jason Wood
Mortgage Advisor & VA Loan Specialist, VA Loan Guy - American Mortgage Network
www.valoanguy.us
P: (760) 350-3989
M: (760) 217-0820
1185 LINDA VISTA DR
SAN MARCOS CA 92078
317293

VA Loan Guy