



## FHA Extends COVID Relief Measures Until March

The Department of Housing and Urban Development (HUD) has **extended the timeframe for several of the relief programs** it put into effect last spring through its Federal Housing Administration (FHA) to help lenders, servicers, and homeowners cope with the COVID-19 crisis.

FHA's eviction and foreclosure moratoriums have been **extended for an additional two months, through February 28, 2021**. These moratoriums prohibit servicers from initiating or proceeding with foreclosure and foreclosure-related eviction actions for FHA-insured single family forward and reverse mortgages, except for those secured by legally vacant and abandoned properties. This is the fourth time these moratoriums have been extended.

The period to request an initial COVID 19 forbearance plan has also been extended through the end of February. Initial forbearances are for six months and can be extended for another six months if necessary.

FHA encourages borrowers with FHA-insured mortgages to continue to make their mortgage payments if they are able. Those who are struggling financially because of the pandemic should call their mortgage servicer. There are several options to assist borrowers to bring their mortgages current once the crisis ends. They will not be required to bring their mortgages current with one lump-sum payment.

The current announcement does not contain any provisions for additional extensions for homeowners who are already in a forbearance plan. The maximum **12-month timeframes for those borrowers will begin expiring for those borrowers in March**.

"COVID-19 has created hardships for millions of Americans. FHA will continue to assist borrowers who are struggling to regain their financial footing as a result of this pandemic," Assistant Secretary for Housing and Federal Housing Commissioner Dana Wade said. "American homeowners should not be forced from their homes while they are seeking help."

FHA also extended its temporary adjustments to several underwriting requirements. The timeframe for providing an insurance endorsement on single family mortgages in forbearance is not March 31, 2021. Temporary provisions for verification of self-employment, rental income, 203(k) Rehabilitation Mortgage Escrow accounts and temporary reverification of employment guidance and exterior-only appraisals were all extended through February 28, 2021. **FHA said these were designed to keep originations flowing** despite the difficulties imposed by social distancing.



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