

CARES Act: What Homeowners & Renters Should Know



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For Homeowners: Mortgage Forbearance

Mortgage Forbearance

1. What it is

- Forbearance allows homeowners who are financially hurt by COVID-19 to **temporarily** put off their mortgage payment
- Borrowers can forgo mortgage payments up to 180 days from the application, and can extend another 180 days upon request for one full year of relief
- This is **not** forgiveness, and borrowers will need to eventually pay back the amount they missed
- During the forbearance period, borrower's credit score will **not** be affected by missed payments
- Late fees will also be waived during this period

Mortgage Forbearance

2. Who qualifies

- All federally owned or backed mortgages
 - This includes Fannie Mae, Freddie Mac, FHA, VA, and USDA Mortgages
 - You can check who owns your loan through your servicer
 - You can also check Freddie or Fannie mortgages from the websites below:
 - Freddie Mac: <https://ww3.freddie.mac.com/loanlookup>
 - Fannie Mae: <https://www.knowyouroptions.com/loanlookup>
- Other homeowners with mortgages need to ask their servicers (the company you send your monthly mortgage payment) if they provide any forbearance options

Mortgage Forbearance

3. How to Apply

- Apply directly through your servicers
- You can receive forbearance immediately once you apply, and you do not need to prove financial difficulty via documentation (although you may have to provide verbal explanations)
- Once the application is complete, ask your servicer to provide written documentation and keep it with you
- Call volumes are extraordinarily high, so waiting time may be long
- Many servicers have portals on their website where you can request a forbearance

Mortgage Forbearance

4. When to Apply

- Foreclosure moratorium ends on **June 30**, 2020 and afterward, mortgages that default without a forbearance or other agreement in place that are at least 120 days delinquent can proceed to foreclosure
- Apply only when you cannot make your mortgage payment because you will have to pay it back later

Caution:

- Do not send money to entities that ask you for money for mortgage counseling.
- Talk directly with your servicer or a cost-free HUD-approved housing counseling agency.

Mortgage Forbearance

5. Payback Options

- Payback options differ by mortgage types. If a borrower cannot make a lump-sum payment at the end of the forbearance plan, there may be alternative options. Discuss with your servicer for specific details.

Fannie & Freddie	FHA	VA	USDA
<p>Repayment Plan: (1) Re-pay forbore amount over a specific time period; this amount will be added to the regular mortgage payment.</p> <p>Loan Modification: (1) Keep the payment amount constant and extend the loan by the number of missed months; or (2) add past due amounts into the loan balance and extend the term</p>	<p>Loan Modification: Make lump-sum payment at the end of the life of the loan</p>	<p>Repayment Plan: (1) Re-pay forbore amount over a specific time period; this amount will be added to the regular mortgage payment.</p> <p>Loan Modification: Add past due amount back into loan balance and extend term</p>	<p>Repayment Plan: (1) Re-pay forbore amount over a specific time period; this amount will be added to the regular mortgage payment.</p> <p>Loan Modification: (1) Make lump-sum payment at the end of the life of the loan; or (2) add past due amount back into loan balance and extend term</p>

For Renters: Eviction Moratorium

Eviction Moratorium

1. What it is

- For **some** renters in financial trouble because of COVID-19, eviction is suspended by law
- Eligibility depends on the type of mortgage owned by the landlord, or the type of housing tenants live in
- Tenants may defer their rent payment during this period but need to pay back what they have missed
- Tenants should discuss how their missed rents should be paid back with their landlords

Eviction Moratorium

2. Who qualifies

- Renters living in single-family and multifamily properties financed by federally owned or backed mortgages
- Renters living in federally assisted housing (LIHTC, Section 8 Voucher, etc. [click here to check](#))
 - Check whether your house is eligible: <https://nlihc.org/federal-moratoriums>
 - Note that the information on the website is not comprehensive and is continuously updating
 - Some states have passed their own eviction moratorium
 - * Check state information: <https://evictionlab.org/covid-policy-scorecard/>

3. Execution period

- **120** days starting from **March 27**

**Other Financial Supports:
Stimulus Check
& CARES +600/week**

Stimulus Check

1. What it is

- To support individuals and households undergoing financial difficulties because of COVID-19, a person who qualifies for an economic impact payment will receive a \$1,200 stimulus check (\$2,400 for a married couple)
- If you qualify and have a dependent, you will receive an additional \$500 for each child younger than 17

Stimulus Check

2. Who qualifies

- Taxpayers
 - Single or married filing separately: if your adjusted gross income is below \$99,000
 - Head of household: if your adjusted gross income is below \$136,000
 - Married filing jointly: if your couple's gross income is below \$198,000
 - Note: if a single's income is higher than \$75,000 or if a household head's income is higher than \$112,500 or if a couple's income is higher than \$150,000, the payment decreases by \$5 per \$100 of income
- Non-taxpayers, but Social Security beneficiaries
 - If you have a Social Security number, you can apply for the stimulus check here: <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>

Stimulus Check

3. How you can check your payment

- You can track your payment here:
<https://www.irs.gov/coronavirus/get-my-payment>
- The payment method of the stimulus (direct deposit or paper check) is the same as the payment method of your tax refund
- The payment through direct deposit started in mid-April, and the paper check are expected to be delivered in early May but may be delayed
- If you want to receive your check via direct deposit, you can enter your bank account information at the Get My Payment link above

Stimulus Check

4. ...and more

- If you did not file 2019 taxes, your income record filed in 2018 will be used to determine your payment amount
- You can update your address here:
<https://www.irs.gov/taxtopics/tc157>
- For more information, visit
<https://www.consumerfinance.gov/about-us/blog/guide-covid-19-economic-stimulus-checks/>

Caution: The IRS does not ask for your personal information via phone or personal email.

CARES +600/week

1. What it is

- For those who lost their jobs because of COVID-19, the federal government will pay extra \$600/week in addition to the Unemployment Insurance benefit paid by each state government, until July 1

2. Who qualifies

- Anyone who qualifies the UI benefit will receive the extra payment
- The self-employed and independent contractors who could not qualify before CARES act can also apply

3. How to apply

- Same as applying for the UI benefit
- Application process varies by state (Check your state's website)

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