

Home Ownership Payments and COVID-19



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The loss or reduction of income as a result of the current COVID-19 prevention response has created significant worry for impacted homeowners. If you are facing a financial crisis that may result in an inability to afford monthly mortgage payments and related housing expenses, be informed and proactive. This document provides a list of resources and recommendations to get you started on saving your home.

1. Most importantly: Do not wait.

2. If you have received any legal notices suggesting foreclosure or vacating a property, immediately seek legal representation. For low and moderately-low income households, Legal Action services Winnebago County and much of the state and may be able to assist or provide a referral. This guide does not replace professional legal advice.

3. Help for Homeowners Impacted by COVID-19:

Fannie Mae, Freddie Mac (the Enterprises) and the Federal Home Loan Banks have implemented steps to help people who have been impacted by the coronavirus. If your ability to pay your mortgage is impacted, and your loan is owned by Fannie Mae or Freddie Mac, you may be eligible to delay making your monthly mortgage payments for a temporary period, during which:

- You won't incur late fees.
- You won't have delinquencies reported to the credit bureaus.
- Foreclosure and other legal proceedings will be suspended

If you have trouble catching up at the end of this temporary relief period, additional assistance may be available. You can work with your servicer to resume making a mortgage payment. Or if you need additional assistance, you can work with your servicer on other foreclosure prevention options to keep your home.

Contact your mortgage servicer (the company where you send your monthly payments) as soon as possible to let them know about your current circumstances. The telephone number and mailing address of your mortgage servicer should be listed on your monthly mortgage statement.

4. Organizing and Updating Your Budget.

In addition to the many financial benefits that come with following a detailed budget, having an updated budget that details your new income amount and all debts / expenses will also be an essential step if you are going to seek assistance in delaying, amending or adjusting any terms of your mortgage.

If you do not have a detailed budget, now is the time to set it up. Visit Chapter 2: Financial Management at www.winnebagohomebuyer.org/homebuyer-university/ and review the resources available there.

5. Do you qualify for Unemployment Benefits?

The State of Wisconsin has created streamlined financial support for households that have temporarily lost employment income as a direct or indirect result of COVID-19. Visit <https://dwd.wisconsin.gov/uiben/> and review the information and guidance on the page. You can apply for benefits there as well.

6. Contact Your Lender.

If you know that you are going to be unable to meet all terms of your mortgage agreement, contact your lender immediately (after you have updated your budget). As stated in #2 of this guide, your lender may be able to offer temporary flexibility. Do not wait for a payment to be late before calling – do it now! Take notes of who you talked to, when you called, and what was discussed.

7. Contact Your Home Insurance Representative.

Many Home Insurance providers are offering flexible terms if you are facing a financial hardship. Call your direct agent immediately if you know you will be unable to meet all payment terms. Remember that home insurance is very competitive among providers, and if your current provider is unable to support you, it may be time to research if another provider will better serve your household's needs.

8. Contact your Utility Provider.

Most utility providers (Heat / Electric / Water) have suspended disconnections, and have established options for deferred and prorated payments. Do not just skip payments – call your utility provider immediately if you are facing financial hardship and talk with them about what you can afford and what options they have to assist you.

9. Be Informed / Seek Support.

Read through the foreclosure prevention and loan modification resources at www.winnebagohomebuyer.org/foreclosure-help/

This document was developed by Justin R. Mitchell with the Winnebago Homebuyer Program. The information within this document is not intended to replace legal advice, and in some cases the resources referenced may not be available to you and may not prevent adverse action your household is facing. The Winnebago Homebuyer Program and Winnebago County Housing Authority does not receive or provide foreclosure funding.