

CARES Act Relief Options for all residential property owners with federally backed mortgages and for subsidized and affordable housing

Information for owners of residential property with federally backed mortgages: A new federal law, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, puts in place two protections for homeowners with federally backed mortgages:

- First, your lender or loan servicer may not foreclose on you for 60 days after March 18, 2020. Specifically, the CARES Act prohibits lenders and servicers from beginning a judicial or non-judicial foreclosure against you, or from finalizing a foreclosure judgment or sale, during this period of time.
- Second, if you experience financial hardship due to the coronavirus pandemic, you have a right to request a forbearance for up to 180 days. You also have the right to request an extension for up to another 180 days. You **must contact your loan servicer** to request this forbearance. There will be no additional fees, penalties or additional interest (beyond scheduled amounts) added to your account. You do not need to submit additional documentation to qualify other than your claim to have a pandemic-related financial hardship.

If you own your home and don't have a federally backed mortgage, you still may have relief options through your mortgage loan servicer. Contact your loan servicer if you are having trouble paying your mortgage because of the COVID-19 crisis.

Is your mortgage federally backed?

To be eligible for protections under the CARES Act your mortgage must be federally owned or otherwise backed by one of the federal agencies and entities listed below. Many mortgages are federally backed.

For more information, you can go to: <https://www.consumerfinance.gov/about-us/blog/guide-coronavirus-mortgage-relief-options>

You can also get more information or find links to look up property information at:

<https://www.fhfa.gov/Homeownersbuyer/MortgageAssistance/Pages/Coronavirus-Assistance-Information.aspx>

If you don't know who owns or backs your mortgage, you can call your servicer. The servicer has an obligation to provide you, to the best of its knowledge, the name, address, and telephone number of who owns your loan. Your mortgage documents and note may also tell you, especially if you have a VA or FHA loan. For more information, you can go to:

<https://www.consumerfinance.gov/about-us/blog/guide-coronavirus-mortgage-relief-options/>

Information for owners of residential property that is rented to a tenant: If you are a landlord and rent out a dwelling with a federally backed mortgage or you or your tenant participate in a federally subsidized or affordable housing program (including public housing, tenant-based section 8, project-based section 8, other HUD multifamily programs, supportive housing, continuum of care, USDA

rural housing, and the US Treasury's Low Income Housing Tax Credit (LIHTC) program, your tenants also have protections under the CARES Act. Specifically, **the CARES Act provides for a suspension or moratorium on evictions and late fees.** Under the CARES Act protections for tenants, a landlord cannot evict for non-payment of rent or other charges for 120 days beginning on March 27, 2020, the effective date of the CARES Act, and ending on July 25, 2020. In addition, the landlord cannot assess any late fees or other penalties for nonpayment during that time. After the 120-day period is up (on July 26, 2020), the landlord cannot require the tenant, to vacate for nonpayment until providing you with a new thirty-day notice to vacate.

These protections are in addition to the moratorium on evictions for non-payment of rent entered by the New Mexico Supreme Court, for information on the Court's Order go to the COVID-19 information FAQs at: <https://nmcourts.gov/news.aspx>.

CARES Act
Public Law 116-136

Sec. 4024 TEMPORARY MORATORIUM ON EVICTION FILINGS.

(a) DEFINITIONS.—In this section:

(1) COVERED DWELLING.—The term “covered dwelling” means a dwelling that—

(A) is occupied by a tenant—

(i) pursuant to a residential lease; or

(ii) without a lease or with a lease terminable under State law; and

(B) is on or in a covered property.

(2) COVERED PROPERTY.—The term “covered property” means any property that—

(A) participates in—

(i) a covered housing program (as defined in section 41411(a) of the Violence Against Women Act of 1994 (34 U.S.C. 12491(a)));

or

(ii) the rural housing voucher program under section 542 of the Housing Act of 1949 (42 U.S.C. 1490r); or

(B) has a—

(i) Federally backed mortgage loan; or

(ii) Federally backed multifamily mortgage loan.

(3) DWELLING.—The term “dwelling”—

(A) has the meaning given the term in section 802 of the Fair Housing Act (42 U.S.C. 3602); and

(B) includes houses and dwellings described in section 803(b) of such Act (42 U.S.C. 3603(b)).

(4) FEDERALLY BACKED MORTGAGE LOAN.—The term “Federally backed mortgage loan” includes any loan (other than temporary financing such as a construction loan) that —

(A) is secured by a first or subordinate lien on residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from 1 to 4 families, including any such secured loan, the proceeds of which are used to prepay or pay off an existing loan secured by the same property; and

(B) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way by any officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency, or is purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

(5) FEDERALLY BACKED MULTIFAMILY MORTGAGE LOAN.—The term “Federally backed multifamily mortgage loan” includes any loan (other than temporary financing such as a construction loan) that—

(A) is secured by a first or subordinate lien on residential multifamily real property designed principally for the occupancy of 5 or more families, including any such secured loan, the proceeds of which are used to prepay or pay off an existing loan secured by the same property; and

(B) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by any officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency, or is purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

(b) MORATORIUM.—During the 120-day period beginning on the date of enactment of this Act, the lessor of a covered dwelling may not-

(1) make, or cause to be made, any filing with the court of jurisdiction to initiate a legal action to recover possession of the covered dwelling from the tenant for nonpayment of rent or other fees or charges; or

(2) charge fees, penalties, or other charges to the tenant related to such nonpayment of rent.

(c) NOTICE.—The lessor of a covered dwelling unit-

(1) may not require the tenant to vacate the covered dwelling unit before the date that is 30 days after the date on which the lessor provides the tenant with a notice to vacate; and

(2) may not issue a notice to vacate under paragraph (1) until after the expiration of the period described in subsection (b).