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# Attorney General Fox Announces New Option For Homeown Affected By COVID-19

Attorney General Tim Fox announced today Montana homeowners experiencing financial diffic due to the COVID-19 pandemic will have a new mortgage payment deferral option available to this summer.

The Federal Housing Finance Agency (FHFA) now says Fannie Mae and Freddie Mac will make payment deferral option available starting July 1 to help homeowners who are in COVID-19 rela forbearance. The payment deferral option allows borrowers, who are able to return to making t normal monthly mortgage payment, the ability to repay missed payments when their home is s refinanced, or at the end of their loan. The borrower's monthly mortgage payment will not chan

"This new mortgage payment deferral option could make a big difference for homeowners wh the ability to start making their monthly payments at the sunset of their forbearance," Attorney Tim Fox said. "Before this announcement, paying forborne payments at the end of their forbear period was likely impossible for many, if not most, homeowners seeking a forbearance," Fox ad

Last week, Fox and Iowa Attorney General Tom Miller called FHFA Director Mark Calabria, urgir agency to implement new policies to provide relief to homeowners suffering in the pandemic. conference call was in follow up to recommendations Fox, Miller, and a bipartisan coalition of a

general made in letters sent last month to FHFA and the Department of Housing and Urban Development (HUD).

A forbearance is a pause or reduction in monthly mortgage payments available to borrowers w financial hardship caused by the pandemic. Missed payments must be paid back when the forbearance ends. Homeowners with COVID-19 related hardships can still utilize other mortgag assistance options, including reinstatement, a repayment plan, or loan modifications. Fox advise struggling homeowners to be proactive in seeking education about these options and requesti only if they are in need. "Forbearance, deferral, and modification options are not windfalls. They designed for people who cannot make their home loan payments because the COVID-19 crisis made it impossible," Fox cautioned.

The new payment deferral option applies only to federally backed mortgages, which make up 62 percent of the mortgage market. To determine whether you are eligible for a forbearance pl other assistance, find out who services your mortgage and whether it is federally backed. To le more, go to FannieMae or Freddie Mac's look up tool. Borrowers who are not covered should cc their mortgage servicer to determine whether it is offering any relief during the pandemic.

For more information, call the Montana Department of Justice's Office of Consumer Protection a 481-6896 or (406) 444-4500, or email contactocp@mt.gov.

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