Governor Gavin Newsom Announces Major Financial Relief Package: 90-Day Mortgage Payment Relief During COVID-19 Crisis

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Governor Newsom announces financial institutions will provide relief for vast majority of Californians

Californians economically impacted by COVID-19 may receive 90-day grace periods to make mortgage payments

Financial institutions agree not to negatively impact credit reports as a result of accepting payment relief

SACRAMENTO – Governor Gavin Newsom today announced that financial institutions will provide major financial relief for millions of Californians suffering financially as a result of the COVID-19 outbreak.

“Millions of California families will be able to take a sigh of relief,” said Governor Newsom. “These new financial protections will provide relief to California families and serve as a model for the rest of the nation. I thank each of the financial institutions that will provide this relief to millions of Californians who have been hurt financially from COVID-19.”

Governor Newsom secured support from Citigroup, JPMorgan Chase, U.S. Bank, and Wells Fargo and nearly 200 state-chartered banks, credit unions, and servicers to protect homeowners and consumers.

Under the Governor’s proposal, Californians who are struggling with the COVID-19 crisis may be eligible for the following relief upon contacting their financial institution:

90-Day Grace Period for Mortgage Payments

Financial institutions will offer, consistent with applicable guidelines, mortgage payment forbearances of up to 90 days to borrowers economically impacted by COVID-19. In addition, those institutions will:

- Provide borrowers a streamlined process to request a forbearance for COVID-19-related reasons, supported with available documentation;
- Confirm approval of and terms of forbearance program; and
- Provide borrowers the opportunity to request additional relief, as practicable, upon continued showing of hardship due to COVID-19.

No Negative Credit Impacts Resulting from Relief

Financial institutions will not report derogatory tradelines (*e.g.*, late payments) to credit reporting agencies, consistent with applicable guidelines, for borrowers taking advantage of COVID-19-related relief.

Moratorium on Initiating Foreclosure Sales or Evictions

For at least 60 days, financial institutions will not initiate foreclosure sales or evictions, consistent with applicable guidelines.

Relief from Fees and Charges

For at least 90 days, financial institutions will waive or refund at least the following for customers who have requested assistance:

- Mortgage-related late fees; and
- Other fees, including early CD withdrawals (subject to applicable federal regulations).

Click here for details on how to apply for relief. Loans held by a financial institution may be serviced by another company.

Please note that financial institutions and their servicers are experiencing high volumes of inquiries.

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