



**LEGAL AID
CHICAGO**

COVID-19 Updates for Homeowners

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Legal Aid Chicago Practice Areas

- Immigration and Workers Rights (immigration, migrant, trafficking, employment, unemployment benefits)
- Public Benefits (state and federal income and health benefits)
- Children and Family (DV, custody, special ed, expungement)
- Housing (rental housing w/a focus on subsidized housing)
- Consumer (homeownership, bankruptcy, debt collection)



Legal Aid Chicago Contact Info

- We serve all of Cook County – and don't worry too much about income guidelines
- For a “hard” referral or consult on consumer matters:
Daniel P. Lindsey, 312.347.8365,
dlindsey@legalaidchicago.org
- For a “soft” referral or a referral on non-consumer matters:
312-341-1070, or via Illinois Legal Aid On-line @
<https://www.illinoislegalaid.org/get-legal-help>
- Check out our web site for updated content, hotlines, etc.: www.legalaidchicago.org

Court Closures/Delays

- State court
 - Cook County Chancery Division GAO 20-02 (03/16/20) stays all matters for 30 days
 - This includes court dates, judicial sales, and orders for possession
 - There are provisions for filing emergency motions set forth in the order
 - For other counties you'll need to check that county's web site

www.cookcountycourt.org/Portals/0/Chancery%20Division/General%20Administrative%20Orders/GO%2020-2%20COVID-19%20EMERGENCY%20MEASURES.pdf?ver=2020-03-16-145723-127

Court Closures/Delays

□ Federal court (Northern District of Illinois)

- District (trial) Court – Some foreclosures are heard here. All court dates continued 21 days.

https://www.ilnd.uscourts.gov/_assets/_documents/AMENDED%20GENERAL%20ORDER%2020-0012.pdf

- Bankruptcy Court – All court proceedings are going forward but will be conducted by telephone only. Court order sets forth new schedule for hearing days and instructions on signing up for telephonic court appearances.

<https://www.ilnb.uscourts.gov/news/important-court-proceedings-during-covid-19-public-emergency-amended-order>



Mortgage Foreclosure Relief – contact your servicer

- ❑ Borrowers impacted by COVID-19 must contact their mortgage servicer if they are unable to make mortgage payments. Servicers are offering different types of mortgage relief.
- ❑ Individual banks and servicers have COVID-19 relief offer information on their websites.
- ❑ Research the different loss mitigation options offered to you, such as forbearance, repayment and modification – an explanation of these terms can be found here:
<https://www.nolo.com/legal-encyclopedia/whats-the-difference-between-loan-modification-forbearance-agreement-repayment-plan.html>
- ❑ As much as possible ask for any information regarding specific options to be provided to you in writing (email, snail mail, text, etc.).



Mortgage Foreclosure Relief – who owns my loan?

- ❑ **For government insured or owned loans (FHA insured, Fannie Mae, Freddie Mac, VA, USDA):**
- ❑ You can confirm with your servicer whether your loan is government owned or insured.
- ❑ You can confirm whether your loan is insured by Fannie Mae or Freddie Mac at following links:
Fannie Mae -
<https://www.knowyouroptions.com/loanlookup>
- ❑ Freddie Mac -
<https://www3.freddiemac.com/loanlookup/>



Mortgage Foreclosure Relief – FHA and HECM loans

- Initiation of Foreclosures and conducting Foreclosure Sales immediately suspended for 60 days ending May 17, 2020.
- Evictions of persons from properties secured by FHA-Insured Single-Family Mortgages suspended for 60 days ending May 17, 2020.
- FHA Servicers must review impacted borrowers for short and long-term forbearance options, loan modifications, and other options based on the borrower's individual circumstances.

<https://www.hud.gov/sites/dfiles/OCHCO/documents/20-04hsgml.pdf>



Mortgage Foreclosure Relief – VA loans

- ❑ **For VA owned loans:**
- ❑ VA strongly encourages loan holders to establish a sixty-day moratorium beginning March 18, 2020, on completing pending foreclosures or initiating new foreclosures on loans.
- ❑ **VA Circular 26-20-08**
https://www.benefits.va.gov/HOMELOANS/documents/circulars/26_20_8.pdf



Mortgage Foreclosure Relief – Fannie and Freddie

- ❑ Foreclosure Sales and Evictions are suspended for at least 60 days ending May 17, 2020.
- ❑ Applies to principal residence, second homes, and investment property.
- ❑ Does not apply to properties that Servicers have determined are vacant or abandoned.
- ❑ Borrowers impacted by COVID-19 should contact their mortgage servicer if they are unable to make mortgage payments.
- ❑ Impacted Borrowers can request “forbearance” – a suspension or reduction in mortgage payments for up to 12 months.
- ❑ Borrowers in a forbearance plan will not incur late fees.
- ❑ Credit Bureau Reporting of unpaid payments during a forbearance plan related to COVID-19 is suspended.
- ❑ Servicers are not required to obtain documentation of the hardship.
- ❑ Near the end of the forbearance period, Servicers must work with borrowers to provide a permanent solution to bring the loan current, including review for a loan modification.



Mortgage Foreclosure Relief – Fannie and Freddie

- ❑ **Fannie Mae Lender Letter 2020-02**
- ❑ <https://singlefamily.fanniemae.com/media/22261/display>
- ❑ **Freddie Mac Bulletin 2020-4**
- ❑ <https://guide.freddiemac.com/app/guide/bulletin/2020-4>
- ❑ Fannie Mae and Freddie Mac Borrowers – Call your mortgage servicer to request assistance.
- ❑ If you cannot reach your mortgage servicer, you can call:
- ❑ **Fannie Mae** Disaster Response Network at 1-877-542-9723. Monday – Friday, 7 a.m. – 7 p.m. EST. Call will be answered by “Porchlight Disaster Recovery Assistance Team.”
- ❑ **Freddie Mac** - 1-800-FREDDIE (1-800-373-3343) Monday – Friday, 8:30 a.m. – 7 p.m. EST.



Mortgage Foreclosure Relief – Multifamily buildings

- Fannie Mae and Freddie Mac will offer multifamily property owners mortgage forbearance **with the condition that they suspend all evictions for renters unable to pay rent due to the impact of coronavirus.** The eviction suspensions are in place for the entire duration of time that a property owner remains in forbearance. The forbearance is available to all multifamily properties with an Enterprise-backed performing multifamily mortgage negatively affected by the coronavirus national emergency.
- <https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Moves-to-Provide-Eviction-Suspension-Relief-for-Renters-in-Multifamily-Properties.aspx>



Utility Debt Relief

- ❑ ComEd - www.comed.com, 800-334-7661, will not disconnect or impose late fees through May 1.
- ❑ Peoples Gas – www.peoplesgas.com, 877-832-6747, no disconnections for non-payment through end of April. Customers can also call to extend due dates.
- ❑ City of Chicago Department of Water – www.chicago.gov, 312-744-4426, utilitybill@cityofchicago.org, no bills are due until May 1 and no late fees during this time. Should mean no water shut-offs until at least May 1.




Other Debt Relief

- ❑ 2020 Cook County Annual Property Tax Sale postponed (indefinitely)
- ❑ Debt collection Industry recommendations - that debt collectors be more accommodating and suspend collection activities as per local court guidelines
- ❑ But nothing (mandatory) in CARES Act
- ❑ Student loan debt:
 - ❑ Suspension of collection actions including garnishments and tax refund seizures
 - ❑ \$1.8 billion refund of offsets in process on March 13 (affects over 830,000 borrowers)
 - ❑ federally held student loan debtors can stop payment with no penalties or interest accrual for 60 days
 - ❑ private collection agencies instructed to halt all proactive collection activities



CARES Act

- ❑ \$1,200 per person (\$2,400 MFJ) up to 75k plus \$500 per child – phased out up to 99k
- ❑ Greater UIB and for an additional 13 weeks
- ❑ Extended ability to file or complete bankruptcy
- ❑ A variety of tax breaks including “above the line” \$300 charitable deduction
- ❑ Lots of money for hospitals and testing
- ❑ Forgivable loans for small businesses (including non-profits) if \$ used to maintain payroll
- ❑ \$500 billion slush fund for larger businesses



COVID-19 Scams

- ❑ Fake cures, vaccines, unproven treatments
- ❑ Supply scams (fake “special outlets” for medical supplies like surgical masks)
- ❑ Provider scams (people seeking to collect payment for alleged treatment of friends, relatives, etc.)
- ❑ Charity scams (seeking to collect to help victims)
- ❑ Phishing scams (trying to get you to divulge personal information)
- ❑ Apps (to, e.g., track the spread of the virus)
- ❑ Investment scams (“coronavirus-proof” stocks)