

## COVID-19 Payment Relief – Payment Deferment Process

Due to the economic hardships that many PPHFH homeowner may face as a result of COVID-19 shutdowns, PPHFH is willing to offer a one-month principal payment forbearance for those homeowners who can properly demonstrate that their financial situation has been negatively impacted to the point of not being able to make a mortgage payment for April 2020.

The forbearance will be a principal only forbearance for one month's payment. The homeowner will need to make their escrow payment within the month of the forbearance. Regular payments will be required for May 2020.

Payment relief will not be advertised, rather homeowners will need to contact PPHFH to express concern about making future payments.

In order to be eligible for COVID-19 Relief Payment Deferment, a homeowner must contact Habitat to indicate that they have lost their source of income as a direct result of COVID-19. If the homeowner contacts the office via phone, they will also need to follow up with a written letter of explanation (submitted via email).

### Tracking

When a homeowner calls to indicate that they will not be able to make a payment, the call will be logged in the COVID-19 Payment Tracking Sheet: <U:\SharedDocs\JCKS\Family Partnership\Homeowner Correspondence\COVID-19 Payment Tracking.xlsx>

After this information is collected, the homeowner will be asked to submit a letter of explanation, via email, to [janet@pikespeakhabitat.org](mailto:janet@pikespeakhabitat.org).

### Review

The Director of Homeowner Services will review letters of explanation to determine whether the homeowner's situation falls under the criteria to receive COVID-19 Payment Relief. If the situation does, the Director of Homeowner Services will delegate to a member of the HOS Department to reach out to the homeowner to indicate that additional documentation to consider any type of payment relief.

The homeowner will need to submit the following documentation to process a forbearance agreement:

- Completed Verification of Loss of Employment Form: <..\JCKS\Mortgage Servicing and Closing\Homeowner Mortgage Records\Verification of Loss of Employment.docx>
- Final Month's Paystubs
- Balance Statement for all bank accounts

The homeowner must return this documentation within one week of receiving contact from the HOS department. The homeowner will be informed that the sooner the documentation is submitted, the faster the process will be concluded.

This documentation must be returned via email. If the homeowner does not have a scanner, they can take a picture and attach the picture to an email.

Once the documentation is received from the homeowner, the forbearance agreement will be issued.

## **Forbearance Agreement**

The HOS department will draft a forbearance agreement to issue to the homeowner. The Forbearance Agreement Template will be used: <..\JCKS\Mortgage Servicing and Closing\Homeowner Mortgage Records\Forbearance Agreement Template.doc>

The highlighted fields in the template will need to be adjusted for each forbearance agreement. The Director of Homeowner Services will sign the agreement and a PDF copy will be issued to the homeowner via email.

The homeowner must sign the agreement and return it via email (a picture will suffice if scanning is not an option).

A copy of the signed agreement must be saved in the homeowner's digital and paper mortgage file.

## **Forbearance and Credit Reporting**

Credit must still be reported. If a forbearance is not properly reflected in Keystone, the derogatory information of a missed payment will be reported each time credit is reported in the future.

As long as the payment amount is adjusted in Keystone to reflect a \$0.00 principal payment and the homeowner makes some amount of escrow payment in the month of the forbearance, there will be no negative impact to the homeowner's credit. It is, however, imperative that all adjustments in Keystone be made prior to reporting credit.

## **Forbearance Recording and Tracking**

Keystone will automatically adjust the homeowner's amortization schedule to reflect that a forbearance occurred.

The Forbearance will be stored in both the homeowner's digital and paper mortgage file.

The Attorney will need to provide guidance as to whether the Forbearance Agreement should be publicly recorded. The information in the agreement may be confidential in nature and therefore a separate document may need to be recorded.