

GSEs Outline Available Hurricane Ida Relief

By: Jann Swanson | Mbn, Aug 30 2021, 12:22 PM

Both Fannie Mae and Freddie Mac (the GSEs) have told their borrowers and mortgage servicers that they are **offering immediate relief options to those affected by Hurricane Ida**. The assistance is available to homeowners financed by either GSE whose homes or places of employment located in presidentially-declared Major Disaster Areas. These are localities where federal individual-assistance programs are available to affected individuals and households. Those areas are currently on the Gulf Coast, but it appears likely there will be flooding along Ida's path into other Southern and mid-Atlantic states.

On Friday, while forecasts did not fully anticipate the storm's ultimate strength, CoreLogic, which provides data to the insurance as well as the mortgage industry, sent out the following. "CoreLogic data indicates Hurricane Ida threatens 941,392 homes across Louisiana, Alabama, and Mississippi with over \$220 billion in reconstruction cost value, based on the August 27 afternoon forecast's cone of uncertainty. Louisiana alone has 800,349 homes at risk with a reconstruction cost value of \$192.65B.

The press releases from the two companies differ slightly, but we expect those services outlined by Freddie Mac will not differ substantially from those offered by Fannie Mae. Freddie Mac says its **servicers can immediately offer homeowners forbearance relief for up to 12 months** without their incurring late fees or penalties. Foreclosure and other legal proceedings are also suspended while homeowners are on a forbearance plan.

Once homeowners can resume their mortgage payments, they will have the same options that are available to those exiting the COVID-19 forbearance programs.

- **Reinstatement.** The option for a lump sum payment is available, but not required. If possible, however, it is the fastest way to get back on track.
- **Repayment plan.** Homeowners pay more each month on top of their existing mortgage payment to make up the missed payments.
- **Payment Deferral.** This option is available if homeowners can resume making their regular monthly payment. If eligible, mortgages will immediately become current with missed payments added to the end of the mortgage term.
- **Loan modification.** If a homeowner is facing a long-term financial hardship but can make a reduced mortgage payment, a modification may be available.

Freddie Mac also reminds servicers that its disaster relief options are available to affected homeowners outside the declared disaster areas if their home incurs a disaster-related insured loss that impacts their ability to make their mortgage payment.

Bill Maguire, Freddie Mac's Vice President of Single-Family Servicing Portfolio Management said, "Once safe, homeowners whose homes are impacted should contact their mortgage servicer-the company they send their monthly mortgage payments to- as soon as possible to talk about available mortgage relief options. This also includes homeowners whose places of employment have been impacted resulting in a financial hardship that prevents them from being able to make their monthly payment."

Fannie Mae says its mortgage servicers are authorized to offer immediate forbearance for up to 90 days - even without establishing contact with the homeowner - if the servicer believes her or she was affected by the disaster.

Fannie Mae also says it can help its homeowners and tenants living in Fannie Mae-financed properties with **broader difficulties during the storm's aftermath through its Disaster Response Network** which can be accessed at 877-833-1746. This assistance includes:

- A needs assessment and personalized recovery plan
- Help requesting financial relief from FEMA, insurance, and other sources
- Web resources and ongoing guidance from experienced disaster relief advisors.

Both companies stress that those homeowners already in a COVID-19-related forbearance plans and who are impacted by the storm should **contact their mortgage servicer to discuss options**.

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