



State of New Hampshire Banking Department

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FAQs on Mortgage Foreclosures during the COVID-19 Pandemic

Q: Will I lose my home to foreclosure during the COVID-19 pandemic if I can't pay my mortgage?

A: Both state and federal governments have prohibited foreclosures during the COVID-19 pandemic.

In New Hampshire, Governor Sununu issued Emergency Order #4 which establishes a temporary prohibition on foreclosures. This Emergency Order states all foreclosure actions are prohibited while the COVID-19 State of Emergency is in effect.

In addition, on March 27, 2020, Congress passed the CARES Act, which prohibits foreclosures between March 18, 2020 and May 17, 2020, on federally-backed mortgage loans.

The CARES Act also gives borrowers with federally-backed mortgage loans who experience financial hardship due to the COVID-19 pandemic, the right to request that mortgage payments be suspended for a period of time (a "forbearance"). *The borrower must contact their servicer and request the forbearance, it will not happen automatically.*

Q: Do the state and federal prohibitions on foreclosures apply to my mortgage?

A: The Governor's Emergency Order #4 applies to any judicial or non-judicial foreclosure action in New Hampshire, by any lender, whether that lender is located in this state or is located outside New Hampshire, and regardless of whether or not the mortgage is a federally-backed mortgage. The Governor's Emergency Order #4 would also stop any foreclosure that is already in process. The Emergency Order applies to foreclosures on both traditional mortgages, as well as reverse mortgages.

The protections under the federal CARES Act apply to federally-backed mortgages—Fannie Mae, Freddie Mac, HUD, VA or USDA mortgages. Most (but not all) mortgages are federally backed mortgages.



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Q: How long will these protections for consumers last?

A: Governor Sununu's Emergency Order #4 states it is effect "for the duration of the State of Emergency." Therefore, so as long as a State of Emergency is in effect, Emergency Order #4 will prohibit foreclosures.

The prohibition on foreclosures under the federal CARES Act will prohibit foreclosures on all federally-backed mortgage loans between March 18, 2020 and May 17, 2020.

The CARES Act also allows borrowers on federally backed mortgages 180 days of mortgage payment forbearance. The borrow can request an additional 180 days (for a total of 360 days of forbearance) if they continue to face financial hardship due to the COVID-19 pandemic. *Borrowers must contact their mortgage servicer and state they are facing financial hardship due to the COVID-19 pandemic to get both the initial 180-day forbearance, and the second 180-day forbearance; these do not happen automatically.*

Q: Do I still need to make mortgage payments while the foreclosure prohibition is in effect?

A: Yes, you have an obligation to pay your mortgage, even while the foreclosure prohibitions are in effect UNLESS you have contacted your mortgage servicer and received confirmation that you have been given a forbearance. If your mortgage servicer has given you a forbearance you can stop payments as long as that forbearance is in effect.

Q: What options are available if I can't pay make my next mortgage payment?

A: You may be eligible for forbearance, which can suspend your mortgage payments for a period of time, up to 12 months in some cases. Under the federal CARES Act, you have the right to request a forbearance if you have a federally-backed mortgages and you face financial hardship due to the COVID-19 pandemic. You must contact your mortgage servicer to request this forbearance.

Even if you do not have a federally-backed mortgage, you should contact your mortgage servicer to see if you are qualified for a forbearance.



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Q: What other help is out there?

A: There are other options available that can help you address the financial hardships caused by the COVID-19 pandemic, but you must contact your mortgage servicer to discuss these options and complete any necessary paperwork.

Consumers who are unable to reach an acceptable arrangement with their mortgage servicer can contact the New Hampshire Banking Department to file a complaint.

The New Hampshire Banking Department can also assist with complaints about motor vehicle loans, small loans, student loans, title loans, money transmitters or debt adjusters.