



**News Release**

## “No Lump Sum Required at the End of Forbearance” says FHFA’s Calabria

**FOR IMMEDIATE RELEASE**

**4/27/2020**

**Washington, D.C.** – To combat ongoing misinformation, the Federal Housing Finance Agency (FHFA) reiterated that borrowers in forbearance with a Fannie Mae or Freddie Mac (the Enterprises)-backed mortgage are not required to repay the missed payments in one lump sum.

“During this national health emergency, no one should be worried about losing their home,” said Director Mark Calabria. “No lump sum is required at the end of a borrower's forbearance plan for Enterprise-backed mortgages. To help homeowners navigate the forbearance process, FHFA partnered with CFPB on the Borrower Protection Program to provide homeowners accurate information about forbearance and address concerns noted in some consumer complaints. While today's statement only covers Fannie Mae and Freddie Mac mortgages, I encourage all mortgage lenders to adopt a similar approach.”

In response to the COVID-19 national emergency, the Enterprises permitted borrowers with a financial hardship due to the pandemic a forbearance option, which is a pause or reduction in their monthly mortgage. The missed payments will have to be paid back by the borrower. For those borrowers who opt for forbearance, their mortgage servicer will contact them about 30-days before the end of the forbearance plan to see if the temporary hardship has been resolved and discuss a variety of repayment options. If the hardship has not been resolved, the forbearance plan can be extended. If the hardship has been resolved, the servicer will work with the borrower to:

- Set up a repayment plan;
- Modify the loan so the borrower's payments are added to the end of the mortgage; or
- Set up a modification that reduces the borrower's monthly mortgage payment.

Fannie Mae: [Understand Your COVID-19 Mortgage Options](#)

Freddie Mac: [Lump Sum Repayment is Not Required in Forbearance](#)

To learn more about the forbearance process you can read the script the Enterprises provided to mortgage servicers [here](#).

Read more about FHFA and CFPB's Borrower Protection Program [here](#).

To see the actions FHFA has taken to help Americans impacted by the coronavirus remain in their homes please visit FHFA's [Webpage on Coronavirus Actions](#).

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 11 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$6.3 trillion in funding for the U.S. mortgage markets and financial institutions. Additional information is available at [www.FHFA.gov](http://www.FHFA.gov), on Twitter, [@FHFA](#), [YouTube](#), [Facebook](#), and [LinkedIn](#).

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