COVID-19 Mortgage Crisis

Presentation to the Senate Financial Institutions, Economic Development, and Trade Committee

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Cindy Fazio, Director of Consumer Services
Washington Department of Financial Institutions

DFI Guidance for Mortgage Loan Originators

- March 5, 2020: DFI issues guidance to mortgage loan originators to support social distancing, effective through June 5, 2020.
- Originators may work from home even if the home is not a licensed branch office of the sponsoring company.
- The sponsoring company must put in place certain data security safeguards.
- May 7, 2020: Guidance extended to July 10, 2020.

DFI Guidance – Residential Mortgage Servicers

March 20, 2020: DFI issues guidance to servicers of primary residential mortgages to alleviate pandemic impact.

- Forbearing payments for 90 days
- No reporting to credit rating agencies for 90 days
- Waiving fees

Federal CARES Act

- March 27, 2020 – Enacted
- Provides forbearances for Freddie and Fannie guaranteed residential mortgages.
- Initial forbearance period may be as long as 180 days. Another consecutive 180 period may be provided if needed.