

March 19, 2020

**Guidance to New York State Regulated and Exempt Mortgage Servicers Regarding Support for Borrowers Impacted by the Novel Coronavirus (COVID-19)**

To: The Chief Executive Officers or the Equivalents of New York State Regulated and Exempt Mortgage Servicers

Last week, the World Health Organization declared the spread of the novel coronavirus COVID-19 a pandemic, and both New York State and the U.S. Federal Government have declared states of emergency. An increasing number of individuals are experiencing sizeable disruption to their everyday lives. The economic impact to consumers is considerable and the outbreak will continue to cause significant financial hardship for individuals and families, especially workers who cannot work remotely and do not have access to paid leave.

As the outbreak continues to spread, a growing number of companies have started to warn markets about the adverse impact of COVID-19 on their financial conditions. Companies in certain sectors are already laying off employees and taking other drastic actions in response to the crisis which is likely to cause more financial stress on local communities and consumers.

In response to this crisis, the Department is issuing guidance to urge all regulated and exempt mortgage servicers to do their part during this outbreak to alleviate the adverse impact caused by COVID-19 on those mortgage borrowers (“mortgagors”) who demonstrate they are not able to make timely payments, including taking reasonable and prudent actions, and subject to the requirements of any related guarantees or insurance policies, to support those adversely impacted mortgagors by:

- Forbearing mortgage payments for 90 days from their due dates;
- Refraining from reporting late payments to credit rating agencies for 90 days;
- Offering mortgagors an additional 90-day grace period to complete trial loan modifications, and ensuring that late payments during the COVID-19 pandemic does not affect their ability to obtain permanent loan modifications;
- Waiving late payment fees and any online payment fees for a period of 90 days;
- Postponing foreclosures and evictions for 90 days; and
- Ensuring that mortgagors do not experience a disruption of service if the mortgage servicer closes its office, including making available other avenues for mortgagors to continue to manage their accounts and to make inquiries; and
- Proactively reaching out to mortgagors via app announcements, text, email or otherwise to explain the above-listed assistance being offered to mortgagors.

The Department believes that reasonable and prudent efforts by your institutions during this outbreak to assist these mortgagors under these unusual and extreme circumstances are consistent with safe and sound banking practices as well as in the public interest and will not be subject to examiner criticism.

If you have any questions, please contact your regular point of contact at the Department.

Sincerely,

Shirin Emami, Executive Deputy Superintendent – Banking