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## **Homeowners and Tenants Rights during COVID-19 Emergency Declaration (Information current as of April 7, 2020)**

Below is a summary of the rights available for homeowners who may be struggling to pay their mortgages or facing foreclosure for reasons directly or indirectly related to the COVID-19 crisis.

### **Foreclosure Moratoriums – CARES Act**

The Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) passed on March 27, 2020, provides for a moratorium on foreclosures that runs from March 18, 2020 through May 17, 2020. This may be extended.

### **Louisiana Foreclosure Suspension**

Foreclosures are suspended in Louisiana pursuant to Governor John Bel Edwards’ executive order and has been extended to April 30, 2020.

### **Who qualifies for foreclosure protection under the CARES Act?**

Borrowers whose mortgage loans are **federally-backed or federally-owned** and tenants living in a property with such a loan. A federally-backed loan is a loan owned, insured or guaranteed by one of the following entities: the Department of Housing and Urban Development (HUD), Federal Housing Administration (FHA) Fannie Mae, Freddie Mac, the Department Veterans Affairs (VA), the Department of Agriculture/Rural Housing Services (RHS).

To see if your mortgage loan qualifies, review your mortgage loan documents, call your mortgage servicer, or for Fannie Mae and Freddie Mac, visit the website and enter your information in the loan lookup tool.

### **What protections do borrowers and tenants have under the CARES Act?**

- For borrowers whose mortgage loans are covered, your mortgage servicer cannot:
  - Initiate a foreclosure
  - Seek a court order to seize and sale your property
  - Hold a foreclosure sale
- Tenant living in home with federally backed mortgage cannot be evicted.

### **I don’t have a federally-backed or federally-owned loan, can my mortgage company foreclose on me?**

You may have protections under Governor Edward’s executive order suspending foreclosures which was extended to April 30, 2020. Foreclosure seizures and sales have been suspended through April 30, 2020. If foreclosure actions were initiated against you before the Governor’s order or since the COVID-19 crisis and you have questions, you should speak with an attorney. Visit [www.Louisianalawhelp.org](http://www.Louisianalawhelp.org) for information about free or low-cost legal services.

### **Do I still have to pay my mortgage even though there is a foreclosure moratorium in place?**

Yes. Unless your mortgage lender or servicer has told you otherwise, the CARES Act nor the Governor’s executive order changes your obligation to pay your mortgage.

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### **What can I do if I am unable to pay my mortgage?**

If you are experiencing a financial hardship because of the COVID-19 crisis and need mortgage payment relief available under the CARES Act, you must contact your mortgage servicer and ask for mortgage relief options. The protections under the CARES Act for borrowers with federal-backed or federally-owned loans aren't automatic. ***You must ask for help.***

### **What mortgage payment relief options are available for borrowers with federally-backed or federally-owned mortgage loans?**

Mortgage servicers are required to offer you a forbearance of up to 180 days. This means that your monthly payments can be reduced or deferred for up to six (6) months. If necessary, your servicer can extend the forbearance for an additional 180 days if you ask for it during the COVID-19 crisis.

### **Will my payments be forgiven or waived my mortgage if I am offered a forbearance during COVID-19?**

No. A forbearance does not waive or forgive your payments. At the end of the forbearance period, you will still have to work with your mortgage company to bring your account current. You may be able to do this by making a lump sum payment, setting up a repayment plan or with a loan modification.

### **Can those payments be deferred to the end of my mortgage?**

Maybe. A loan extension or payment deferral plan may be available that would allow the payment you missed during the forbearance period to be paid after the original loan maturity date ends. You will need to negotiate with your mortgage servicer to have this done. Be sure you keep a record of all communications and agreements. *If you need help, you can contact a housing counselor [www.hud.gov/i\\_want\\_to/talk\\_to\\_a\\_housing\\_counselor](http://www.hud.gov/i_want_to/talk_to_a_housing_counselor) or speak with an attorney.*

### **Do I have to send documentation proving my financial hardship is caused by the COVID-19 crisis when I ask for a forbearance?**

No. The CARES Act prohibits servicers from requiring you to submit documents before granting you a forbearance. You only have to attest that your financial hardship is caused by the COVID-19 crisis.

### **What rights and mortgage payment relief options are available for borrowers without federally-backed or federally-owned mortgage loans?**

Many mortgage servicers are offering to work with borrowers experiencing financial hardship. Contact your mortgage servicer and ask for help.

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### **Tips for Borrowers:**

- Review your mortgage loan documents (note and deed of trust) for information about your rights and obligations as well as your mortgage company's rights and obligations.
- Louisiana is a judicial foreclosure state. This means that your mortgage company must sue you to seize and sale your home (immovable property). There are legal notices, legal deadlines and other procedures required in order to foreclose and sale your home. Other laws may apply if your home isn't classified as immovable property.
- If you are having trouble contacting your mortgage servicers by phone, other options may include: 1) creating an online account on the company website and communicating through the borrower portal, 2) faxing your requests to the number provided for mortgage relief assistance, or 3) visit the company website for information about ways to request help.
- Keep a journal documenting all your conversations with your mortgage servicer and copies of everything you submit as part of your request for assistance.
- Ask for agreements in writing. Review it and contact your servicer if something isn't clear or doesn't reflect the agreement.
- Review your mortgage account each month for mistakes, including errors with late fees and other charges.
- Seek legal help if you need it. Visit [www.Louisianalawhelp.org](http://www.Louisianalawhelp.org) for information about free or low-cost legal resources.

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