

Consumer Alert: Urgent Need for Qualifying Homeowners to Apply Now for Mortgage Relief to Avoid Potential for Thousands of Foreclosures on Minnesota Homes

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For Immediate Release

The Minnesota Department of Commerce and Minnesota Housing are alerting homeowners who have federally backed mortgage loans and who are facing financial hardships to apply now for mortgage relief to avoid foreclosure.

The deadline for mortgage relief applications for certain mortgages has been extended to February 28, 2021, but homeowners who may qualify should begin the process for application now. Call your mortgage lender or servicer immediately to determine if you are eligible for this assistance. You can [find a homeownership advisor](#) near you today who provides free services to help you.

In Minnesota, there are an estimated 120,000 households, or about 15 percent of mortgages, that are backed by the Federal Housing Administration (FHA). In Minnesota, about 13,000 Minnesota homeowners, or more than one in ten, have FHA-backed mortgages that are delinquent, which means thousands of Minnesota homeowners are behind on mortgages and could be impacted by the deadline to apply for mortgage relief.

“Borrowers that are experiencing hardships and can’t make their mortgage loan payments should proactively reach out to their lenders to see what options they have. In many cases, the borrower’s options are better before the loan goes delinquent, or severely delinquent,” said Commerce Temporary Commissioner Grace Arnold.

The CARES Act passed by Congress earlier this year included providing assistance for homeowners impacted by the COVID-19 financial hardships. The CARES Act required federal agencies to allow homeowners with federally backed loans to delay making mortgage payments, without penalty or interest, for 6 to 12 months, if the homeowners demonstrated their ability to pay had been impacted by the economic downturn caused by the pandemic.

If a homeowner is unable to make mortgage payments, but is unsure of their eligibility for CARES relief, they should still contact their lender or mortgage servicer to discuss options.

Homeowners with federally backed mortgages can learn more about mortgage relief, how they are eligible and how to apply for mortgage assistance in the [Consumer Relief Guide \[PDF\]](#). For additional details on mortgage relief, see [this Commerce consumer alert](#) from May 19, 2020.

- Loan types that are federally backed and therefore are required to be provided relief include:
- Conventional loans purchased or securitized by Fannie Mae and Freddie Mac
- Federal Housing Administration (FHA), including Home Equity Conversion Mortgage (HECM)
- U.S. Department of Veteran Affairs (VA)
- U.S. Department of Agriculture (USDA) Rural Development (RD) loans, including direct and guaranteed loans

If you do not have a federally backed mortgage, you may still be eligible for assistance. Contact your mortgage lender or servicer for more information. Note that not all federally backed loans are currently subject to the stated deadline of February 28, 2021.

If you have a question, contact the [Minnesota Homeownership Center](#) at 651-659-9336 to speak to a nonprofit homeownership advisor who can help you navigate your situation. Services are free. [Find a homeownership advisor](#) near you today to get the help you need.

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Minnesota Housing

Minnesota Housing is the state's housing finance agency. For more than 45 years, we've worked to provide access to safe, decent and affordable housing and to build stronger communities across the state. In 2019, we invested \$1.42 billion and assisted more than 68,900 households. Learn more at mnhousing.gov.

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