



MEMORANDUM

DATE: February 18, 2021
TO: City Manager
FROM: Anita Fuller, Finance Director
SUBJECT: Impact of Federal prohibition on Foreclosure

STAFF REPORT

HUD has extended a prohibition of eviction and foreclosure on all homes with federal funding. Details are in article 21-009 and 21-008. This is in effect until March 31, 2021.

HUD No. 21-009
HUD Public Affairs
(202) 708-0685

FOR RELEASE
Thursday
January 21, 2021

ACTING HUD SECRETARY ANNOUNCES EXTENSION OF EVICTION AND FORECLOSURE MORATORIUMS

Agency actions extend eviction and foreclosure moratoriums on federally-backed single family mortgages through March 31, 2021 to provide urgent economic relief to homeowners impacted by COVID-19

Acting U.S. Housing and Urban Development (HUD) Secretary Matthew E. Ammon today announced that the Department has implemented President Biden's requests to immediately extend eviction and foreclosure moratoriums on federally-backed single family mortgages through March 31, 2021, to provide meaningful support to homeowners struggling financially as a result of the COVID-19 pandemic:

"President Biden asked the Department of Housing and Urban Development (HUD) to consider an immediate extension of eviction and foreclosure moratoriums on federally-backed single family mortgages. In order to provide much-needed economic relief and support to working families, HUD has implemented the President's requests.

"Millions of Americans are at risk of eviction or foreclosure because of the COVID-19 pandemic and corresponding economic crisis, and the Biden Administration is pursuing a comprehensive strategy to prevent widespread housing loss. As we have seen throughout the pandemic, this looming wave of evictions and foreclosures disproportionately impacts communities of color. These executive actions are a critical first step to ensure that families hit hard by the economic crisis will not be forced from their homes during their time of need.

“Specifically, HUD has extended the Federal Housing Administration (FHA) eviction and foreclosure moratorium until March 31, 2021 and extended the Public and Indian Housing (PIH) eviction and foreclosure moratorium until March 31, 2021.

“Failing to prevent widespread evictions and foreclosures would lead to untold hardship for families and to overwhelmed emergency shelter capacity, increasing the likelihood of COVID-19 spread in our communities. The Biden Administration is committed to using the tools at its disposal and to working with Congress to help struggling households keep a roof over their heads. These agency actions support the Administration’s broader strategy by immediately extending nationwide restrictions on evictions and foreclosures.”

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(202) 708-0685

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BIDEN ADMINISTRATION AUTHORIZES EXTENSION OF FEDERAL HOUSING ADMINISTRATION SINGLE FAMILY FORECLOSURE AND EVICTION MORATORIUM

One of the first Administration actions provides meaningful support to homeowners struggling financially as a result of the COVID-19 pandemic

WASHINGTON - Yesterday, the Biden Administration requested the U.S. Department of Housing and Urban Development and other Federal Agencies to extend its [foreclosure and eviction moratorium](#) for single family mortgages insured by the Federal Housing Administration (FHA) or guaranteed by the Office of Native American Programs’ [Section 184 and 184A loan guarantee programs](#) through March 31, 2021. Today, HUD executed one of the first Administration actions to provide meaningful support to the nation’s individuals and families who are struggling to make their mortgage payments due to the financial devastation caused by the COVID-19 pandemic.

“As President Biden promised, his new Administration is quickly addressing the widespread needs of a nation that is in urgent need of meaningful assistance to begin combatting the effects of COVID-19,” said Acting Federal Housing Commissioner Janet Golrick. “Immediately safeguarding borrowers with HUD-insured or guaranteed mortgages is an important first step in tackling larger, systemic housing challenges that must be overcome.”

The moratorium prohibits servicers from initiating or proceeding with foreclosure and foreclosure-related eviction actions for HUD insured or guaranteed single family forward and reverse mortgages, except for those secured by legally vacant and abandoned properties. Further, HUD requires mortgage servicers to provide up to six months of COVID-19 forbearance when a borrower experiencing a financial hardship due to COVID-19 requests this assistance, and up to an additional six months of COVID-19 forbearance for a borrower who requests an extension of the initial forbearance.

HUD encourages borrowers with HUD-insured or guaranteed mortgages who can make their mortgage payments to continue to do so. Those who are struggling financially because of COVID-19 should engage with their mortgage servicer – the entity to which they make their monthly mortgage payments. HUD provides post-COVID-19 forbearance loss mitigation options to assist borrowers with bringing their mortgage current.

Borrowers with FHA-insured mortgages seeking additional information on available options should visit

FHA's [COVID-19 Resources for Homeowners](#) web page on FHA.gov. Borrowers with mortgages guaranteed under the Section 184 or Section 184A programs seeking additional information on available options should visit HUD's [COVID-19 Resources for Native Americans](#) web page. Other borrowers are encouraged to visit the Consumer Financial Protection Bureau's [Coronavirus Mortgage and Housing Assistance](#) web pages.