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Coronavirus Aid, Relief, and Economic Security Act ("CARES Act")

We are waiting for the \$2 trillion COVID-19 stimulus [bill](#) which passed the Senate yesterday and House today. It is now on the desk of President Donald Trump for his signature.

The COVID-19 pandemic changes our nation forever, and that's why the MBA and the MMBA continue to emphasize these are extraordinary times. Just as extraordinary is the way our industry continues to deliver on behalf of those most affected by the tsunami occurring in the financial, housing, and retail sectors: American homeowners and borrowers, as well as our industry professionals who make and service loans.

As it relates to mortgage forbearance, the most important language in the [bill](#) is on pages 567-570 (single-family) and 570-574 (commercial/multifamily). Highlights of the bill include:

Liquidity Facility: \$454 billion for loans, loan guarantees, and investments in programs or facilities established by the Federal Reserve for the purposes of providing liquidity to the financial system that supports lending to eligible businesses, states, or municipalities. This funding would enable Treasury and the Fed to establish a liquidity facility for loan servicers to access for advancing payments, and we continue to press hard on all fronts for a speedy announcement of such a facility.

Consumer Right to Request Forbearance: Applies to federally backed mortgage loans (Fannie/Freddie/FHA/VA/USDA) for those directly or indirectly impacted by the COVID-19 virus (if the borrower requests and affirms hardship). No signature or documentation is required, and the initial period is up to 180 days initially, with the option to extend for up to an additional 180 days. This broadly mimics the programs Fannie Mae and Freddie Mac have already announced.

Multifamily Mortgage Forbearance: A total of 90 days of forbearance (30-day forbearance on initial request, extendable for two additional 30-day periods), which applies to federally insured, guaranteed, supplemented, or assisted mortgages, including mortgages purchased or securitized by the GSEs.

Moratorium on Evictions: For 120 days after date of enactment, applies to single-family and multifamily properties that participate in federal housing, homelessness, rural programs, or properties financed by federally insured, guaranteed, supplemented, or assisted mortgages, including mortgages purchased or securitized by the GSEs.

Small-Business Assistance: \$349 billion for SBA loans to help small businesses make payroll and pay rent and mortgage payments, with loans of up to \$10 million. Proceeds may be used for payroll, rent, payment of mortgage interest (not principal), and utilities.

HUD Rental Assistance

- \$5 billion for Community Development Block Grants
- \$4 billion in homelessness assistance
- \$1.25 billion in tenant-based assistance
- \$1 billion in project-based assistance
- \$50 million for housing for the elderly
- \$15 million for housing for persons with disabilities

Temporary Lending Limit Waiver: Nonbank financial companies temporarily included in OCC's lending limits waiver.

CECL: Option to temporarily delay CECL application. Applies to insured depositories (including credit unions).

Troubled Debt Restructurings: Financial institution may elect to suspend TDR determination under GAAP for COVID-19-related loan modification.

Community Bank Leverage Ratio: Agencies to temporarily reduce the CBLR for qualifying community banks from 9 percent to 8 percent.

Debt Guarantee Authority: FDIC authorized to temporarily establish a debt guarantee program to guarantee debt of solvent insured depositories and depository institution holding companies.

The MBA (and the MMBA) will have a more detailed summary and analysis in the coming days.

CFPB Provides Flexibility During COVID-19 Pandemic

The Consumer Financial Protection Bureau (Bureau) announced that it is providing needed flexibility to enable financial companies to work with customers in need as they respond to the COVID-19 pandemic. The Bureau is postponing some data collections from industry on Bureau-related rules to allow companies to focus on responding to consumers in need and making changes to its supervisory activities to account for operational challenges at regulated entities.

"As consumers seek temporary relief from lenders, the pandemic is impacting the operations of financial companies that are eager to help their customers during this unprecedented time," said Director Kathleen L. Kraninger. "Our actions today are temporary and targeted to support consumers by allowing financial companies to focus their resources on assisting consumers."

"The Bureau, along with our state and federal partners, have released prior guidance encouraging financial institutions to work constructively with borrowers and other customers affected by COVID-19 to meet their financial needs. We will continue to issue additional guidance and policies to facilitate the ongoing collaborative relationship between companies and their customers during this time," concluded Director Kraninger.

The Bureau will not expect quarterly information reporting by certain mortgage

lenders as required under the Home Mortgage Disclosure Act (HMDA) and Regulation C. During this time, entities should continue collecting and recording HMDA data in anticipation of making annual submissions. The Bureau will provide information on when and how institutions will be expected to commence what would have been new quarterly HMDA data submissions.

The Bureau also will not expect the reporting of certain information related to credit card and prepaid accounts under the Truth in Lending Act, Regulation Z, and Regulation E. This includes the annual submissions concerning agreements between credit card issuers and institutions of higher education; quarterly submission of consumer credit card agreements; collection of certain credit card price and availability information; and submission of prepaid account agreements and related information.

Additionally, the following data collections are being postponed:

- a survey of financial institutions that seeks information on the cost of compliance in connection with pending rulemaking on Section 1071 of the Dodd-Frank Act; and
- a survey of firms providing Property Assessed Clean Energy financing to consumers for the purposes of implementing Section 307 of the Economic Growth, Regulatory Relief, and Consumer Protection Act.

To the extent the submission of this information is required by law, the Bureau is issuing policy statements indicating that it does not intend to cite in an examination or initiate an enforcement action against any entity for failure to submit such information when required. The Bureau will notify entities at a later date of when and how to submit information under these requirements. Entities should maintain records sufficient to allow them to make delayed submissions pursuant to Bureau guidance.

The Bureau also announced that as a result of operational challenges confronted by institutions due to the pandemic, the Bureau will work with affected financial institutions in scheduling examinations and other supervisory activities to minimize disruption and burden. When conducting examinations and other supervisory activities and in determining whether to take enforcement action, the Bureau will consider the circumstances that entities may face as a result of the COVID-19 pandemic and will be sensitive to good-faith efforts demonstrably designed to assist consumers.

- [Statement on Supervisory and Enforcement Practices Regarding Quarterly Reporting Under the Home Mortgage Disclosure Act:](#)
- [Statement on Supervisory and Enforcement Practices Regarding Bureau Information Collections for Credit Card and Prepaid Account Issuers:](#)
- [Statement on Bureau Supervisory and Enforcement Response to COVID-19 Pandemic:](#)

MA AG's Office Issues Emergency Regulation to Protect Consumers from Harmful Debt Collection Practices During Covid-19 Emergency

Attorney General Maura Healey announced today that her office has filed an emergency regulation designed to protect consumers from unfair and deceptive debt collection

practices during the COVID-19 crisis.

The new [regulation](#), 940 CMR 35.00, filed with the Secretary of State's Office and effective immediately, prohibits creditors from engaging in methods of debt collection that can require people to leave their homes or have in-person contact, including filing new lawsuits against Massachusetts consumers, visiting their homes or places of work, or repossessing their cars, among other protections. The AG's emergency regulation also prohibits debt collection agencies and debt buyers from making unsolicited debt collection telephone calls to consumers.

This emergency regulation will remain in effect for 90 days or until the conclusion of the declared state of emergency.

"The COVID-19 crisis has caused substantial medical and financial hardship for families in Massachusetts, and we want to do everything we can to protect them from further harm," said AG Healey. "This emergency regulation puts additional restrictions in place to prevent debt collectors and creditors from harassing our residents."

The AG's emergency debt collection regulation contains protections that apply to all creditors and prohibits them from deceptive practices in pursuing the payment of a debt during the COVID-19 emergency, including:

- filing any new collection lawsuit;
- garnishing wages, earnings, properties or funds;
- repossessing vehicles;
- applying for or serving a writ of execution;
- visiting or threatening to visit the household of a debtor;
- visiting or threatening to visit the place of employment of a debtor;
- confronting or communicating in person with a debtor regarding the collection of a debt in any public place.

The AG's emergency debt collection regulation also prohibits debt collection agencies and debt buyers from making unsolicited debt collection telephone calls to Massachusetts consumers for the next 90 days, unless the state of emergency ends before that time.

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