



COVID-19 Mortgage Servicing Trends Report

Updated as of 12/16/2020

DISCLAIMER: Bradley is proud to share the following information collected from the live polls presented at its weekly COVID-19 Compliance Roundtables. This report is intended to show industry trends, not facts, and does not necessarily reflect the opinions of Bradley attorneys. Bradley is not responsible for any inaccuracies and this report should not be considered legal advice.

The polling results included in this report are the anonymous responses of Roundtable attendees. The results may be skewed based on the number of responses in relation to the group as a whole or if more than one person from a company responded to the question. The number of respondents varies by poll. Percentages are rounded to the nearest 0.5.

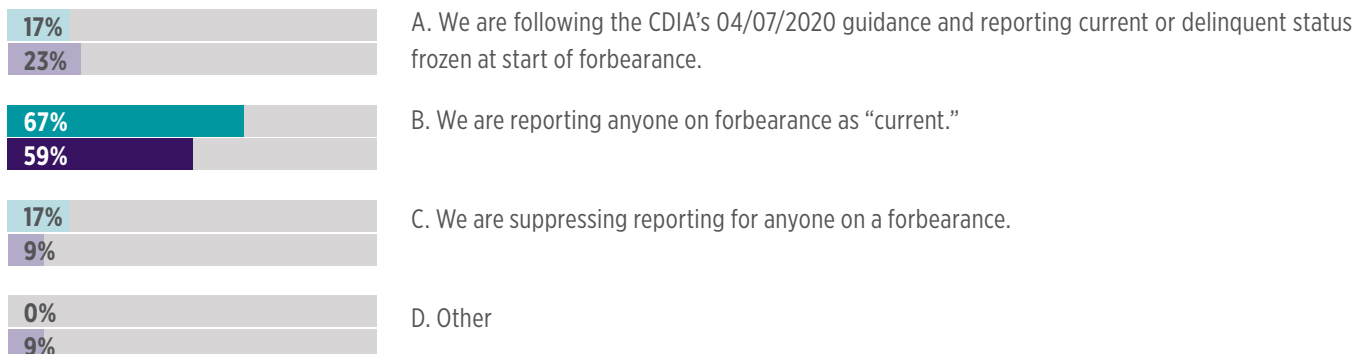
The date of the polls are important to understanding and interpreting them, as the approach to COVID-19 issues changes rapidly, and the industry has been nimble in responding to such changes over the last several months.

For questions related to this report or to seek formal legal advice on any of the topics herein, please contact your Bradley attorney or email COVID-FS@bradley.com.

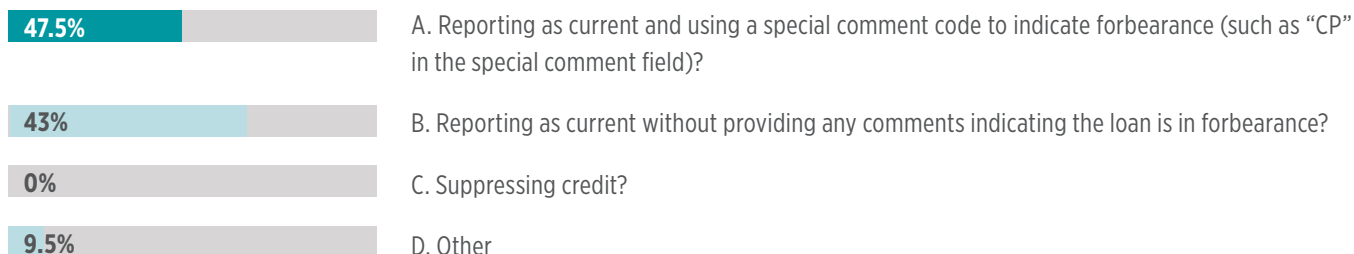
The polling results found in this trends report are sorted by topic, then by date of the poll.

Credit Reporting	3
Deferral	4
Forbearance	8
Foreclosure	14
Litigation	16
Normal Servicing	17
Notary	20
State Specifics	21

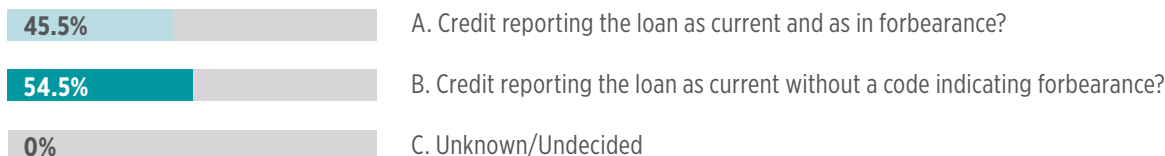
How is your company handling credit reporting forbearances? (Polled on 04/22/2020 & 09/16/2020)



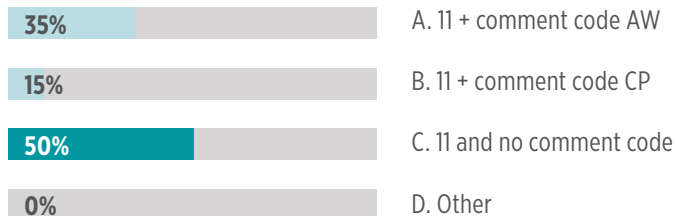
When credit reporting a loan in COVID-19 forbearance that was current when forbearance began, are you: (06/02/2020)



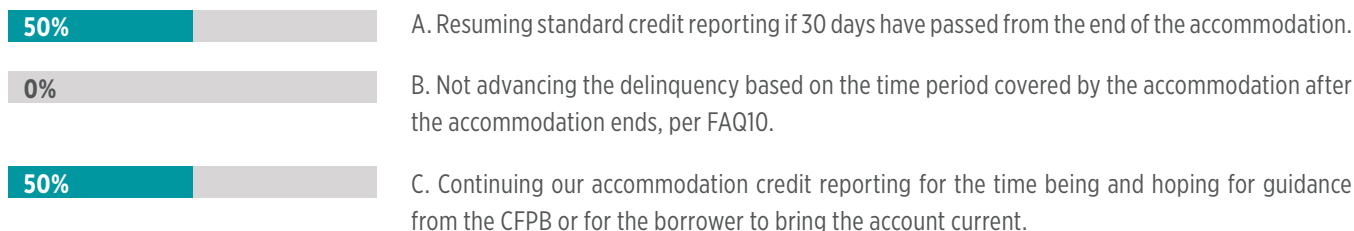
For a borrower who receives a CARES Act forbearance and continues to make the regularly scheduled monthly payments, are you: (06/02/2020)



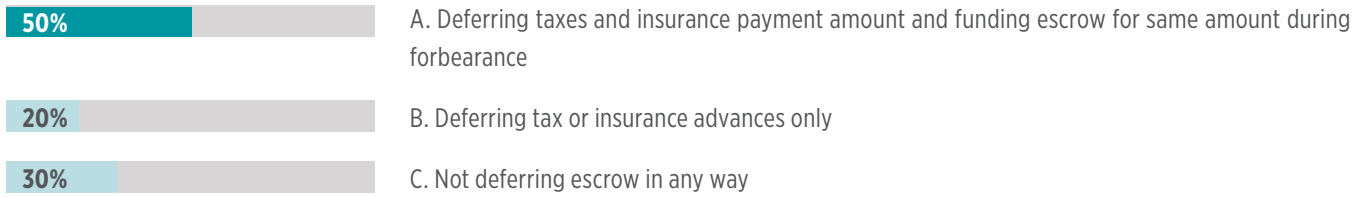
How are you using comment codes for credit reporting during forbearance? (08/19/2020)



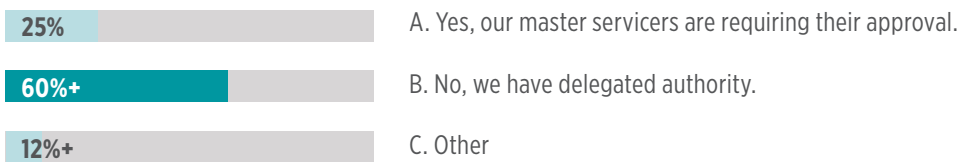
If a borrower obtained a 180-day CARES forbearance but then did not bring their account current (or request another forbearance), are you (11/4/2020):



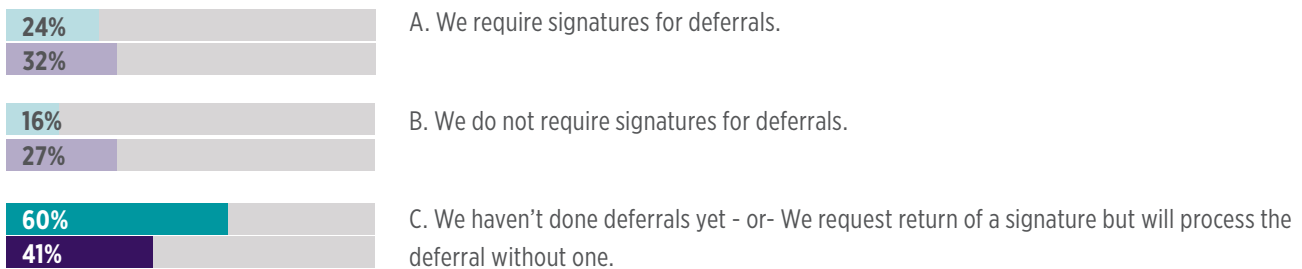
How are you handling escrow issues and deferral? (04/29/2020)



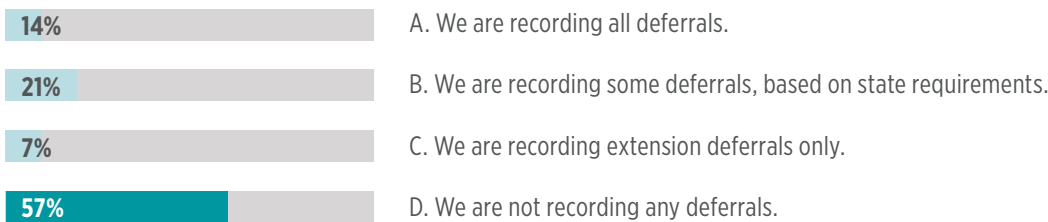
Are your master servicers, or other interested parties, requiring approval of modifications, deferrals, or other servicer programs? (04/29/2020)



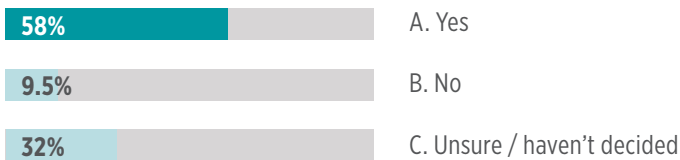
Signatures on deferrals: (Polled on 05/06/2020 & 09/08/2020)



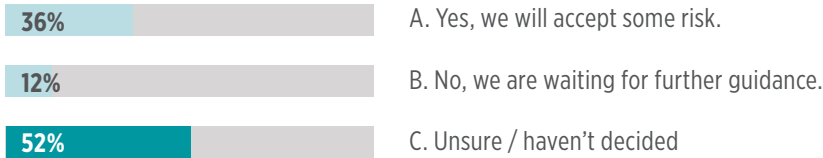
Recording deferrals: (05/13/2020)



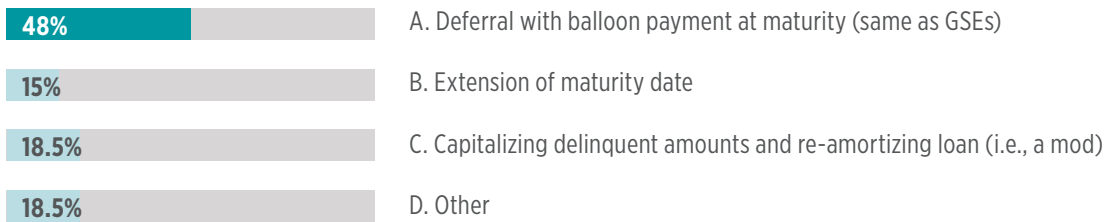
Are you planning on implementing a similar GSE-like deferral program for non-GSE loans? (05/20/2020)



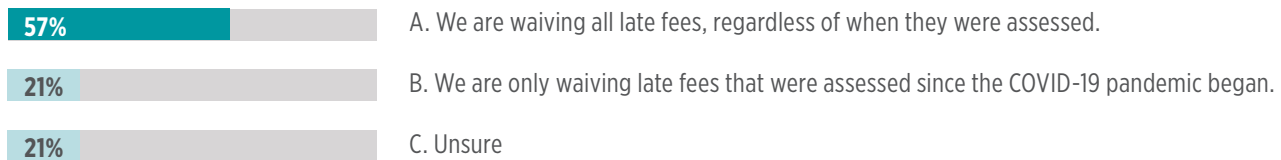
Are you planning on implementing the GSE deferral program by July 1? (05/20/2020)



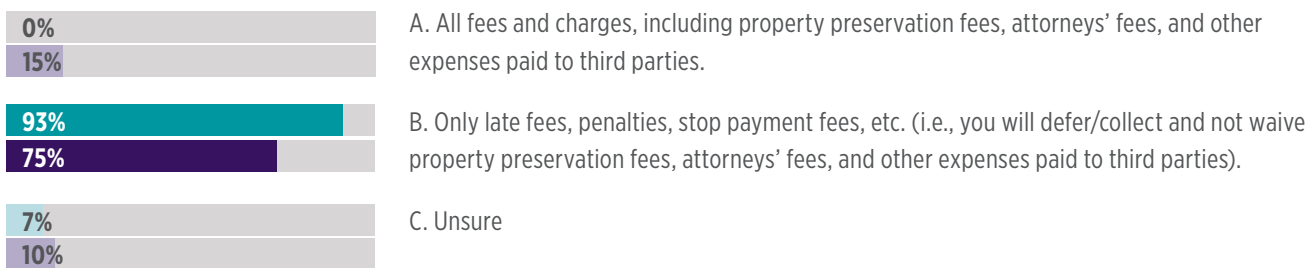
For portfolio loans, what post-forbearance deferral/extension/modification are you envisioning? (06/17/2020)



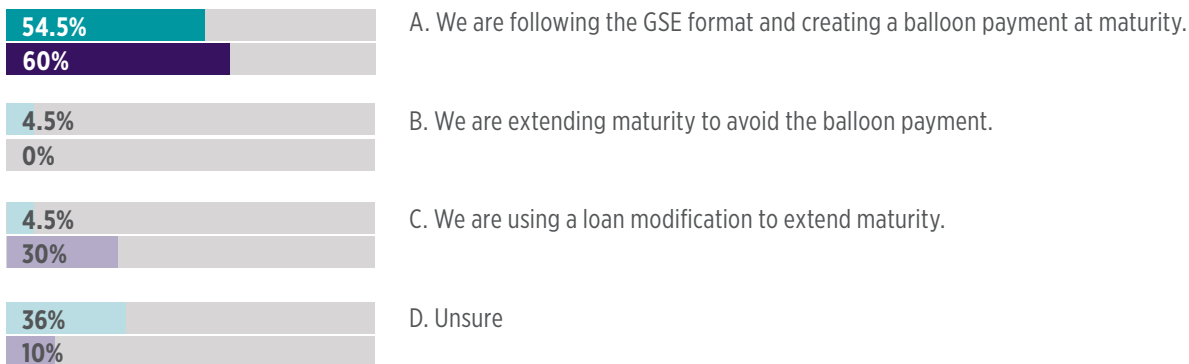
In connection with a payment deferral program issued under the CFPB's Interim Final Rule, how are you handling fees that were outstanding prior to (and are arguably unrelated to) COVID-19? (07/08/2020)



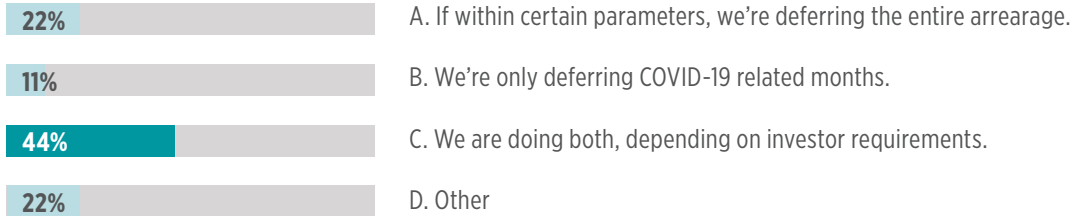
As a part of a deferral offer made pursuant to the CFPB's new Interim Final Rule, are you waiving? (Polled on 07/08/2020 & 09/16/2020)



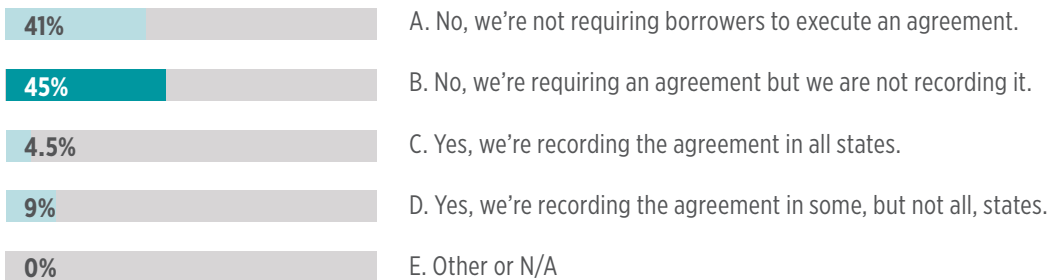
How are you handling deferrals on Texas 50(a)(6) loans (non-GSE)? (Polled on 07/22/2020 & 09/08/2020)



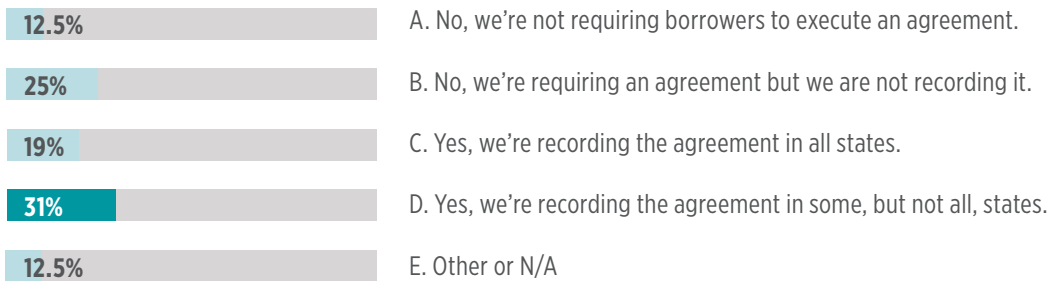
For a borrower who was delinquent before COVID-19, are you curing the entire arrearage with a deferral or only the COVID-19 related arrearage (non-gov loans)? (08/19/2020)



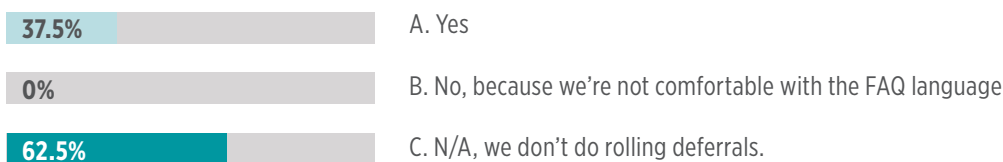
Are you RECORDING deferral agreements whereby the borrower pays the deferred amount by way of a lump sum balloon payment at maturity/sale/refinance? (09/08/2020)



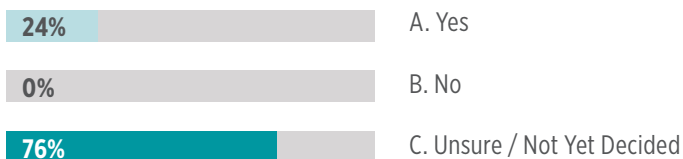
Are you RECORDING deferral agreements whereby the borrower pays the deferred amount by way of an extension of the maturity date? (09/08/2020)



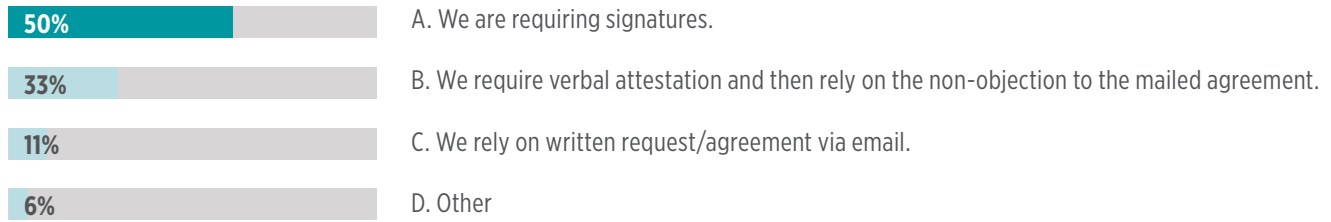
Are you offering rolling deferrals in New York? (09/08/2020)



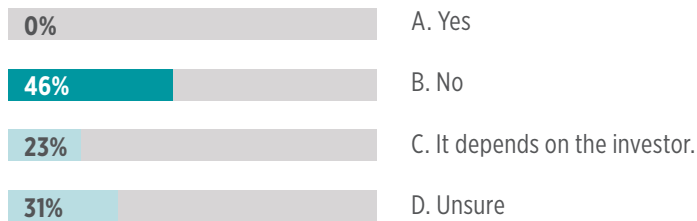
On your Veterans Affairs loans, do you plan to offer to borrowers the new VA deferment program? (09/23/2020)



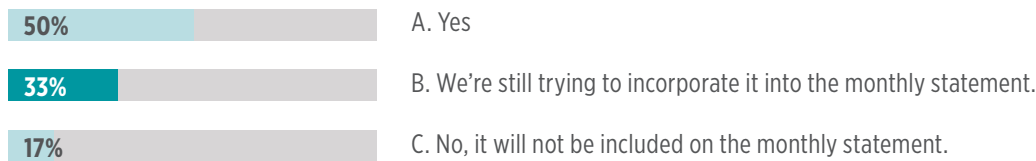
How are you handling deferral acceptance? (09/30/2020)



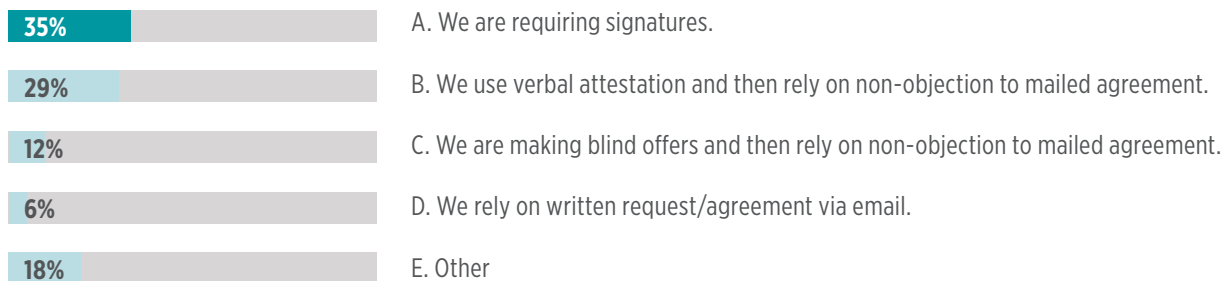
For a non-GSE loan, does existence of a prior deferral disqualify a borrower for a COVID-related deferral? (10/7/2020)



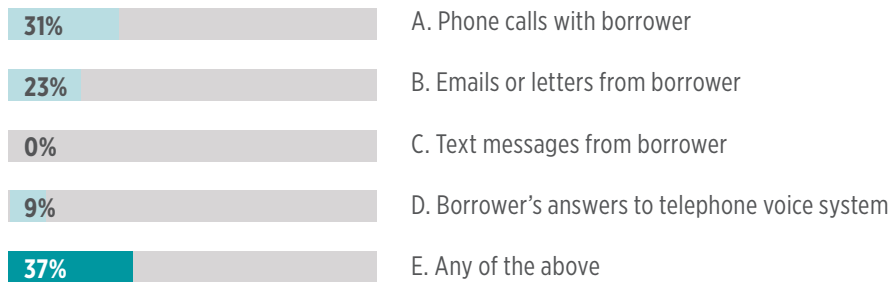
Have you found a way to represent the COVID deferral balance on the monthly statement? (10/7/2020)



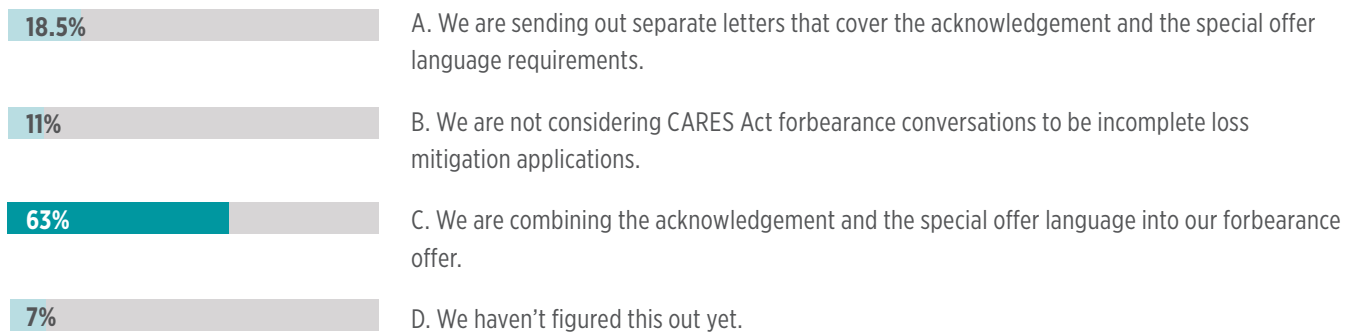
For acceptance of non-GSE deferrals: (11/18/2020)



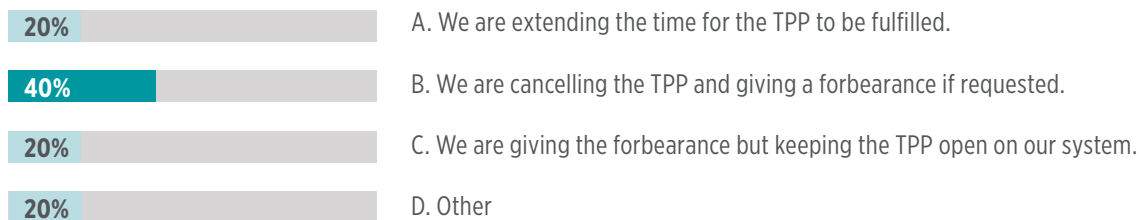
What are you using to document borrower’s “attestation” of financial distress? (04/22/2020)



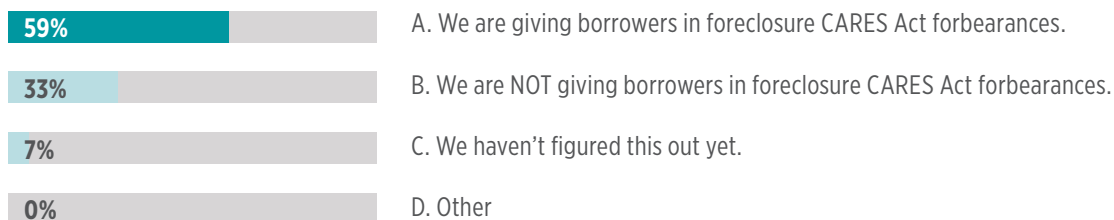
Incomplete package notices: (04/22/2020)



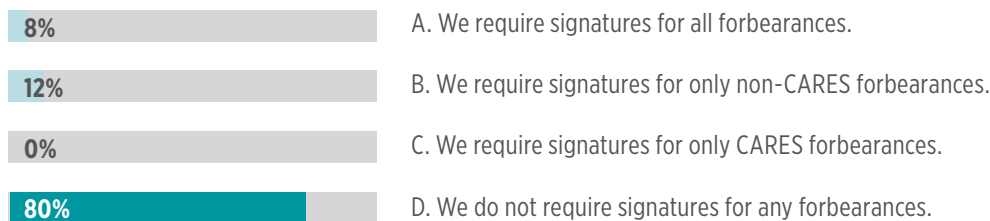
How are you handling TPP in place before CARES? (04/22/2020)



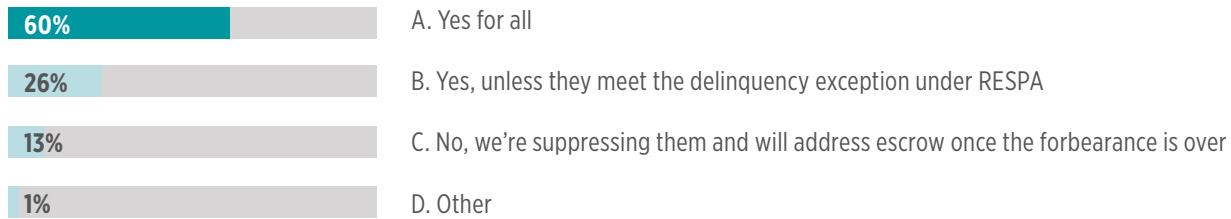
Forbearances and foreclosures (CARES Act): (04/22/2020)



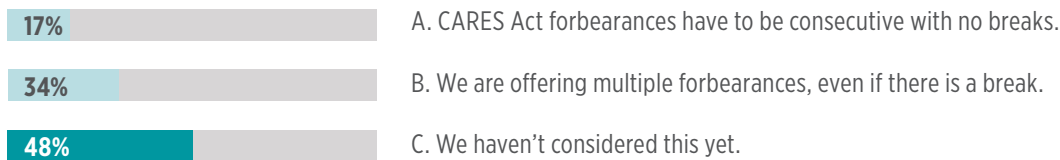
Signatures on forbearances: (05/06/2020)



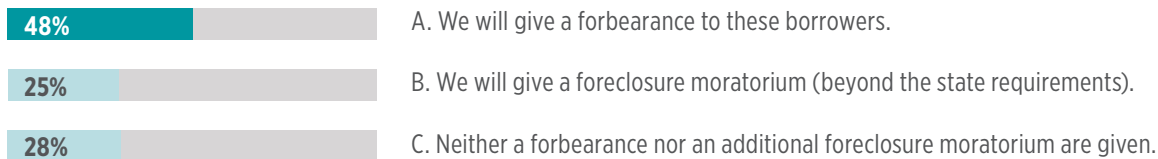
Are you sending escrow statements out while borrowers are in forbearance? (05/06/2020)



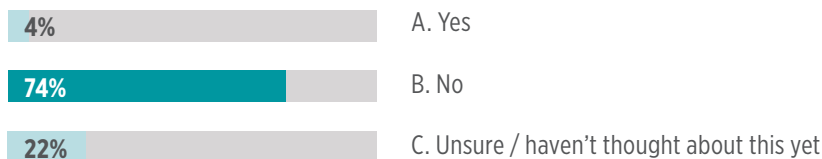
Consecutive forbearances: (05/13/2020)



Loans in foreclosure (non-CARES): (05/13/2020)



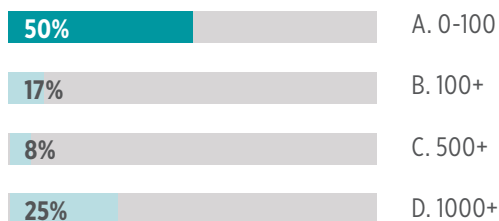
If a borrower makes a payment during a forbearance period, are you extending the term of the plan by a month? (05/20/2020)



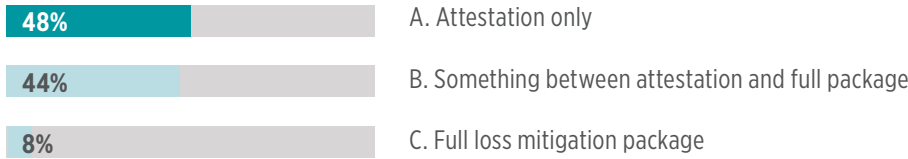
As a part of your disclosures/FAQs/disclaimers to consumers regarding COVID-19 forbearance plans, are you disclosing that obtaining the forbearance plan might impact their ability to obtain a new mortgage loan or refinance? (06/02/2020)



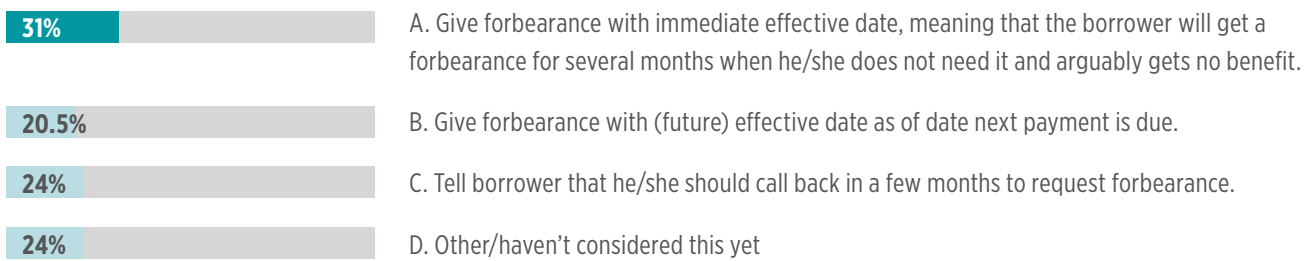
How many loans in foreclosure have you given CARES forbearances? (06/10/2020)



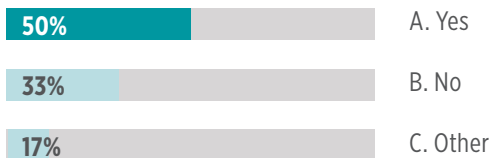
When a non-government loan borrower requests another forbearance, what documentation are you requiring? (Not NY/MA/D.C.) (06/17/2020)



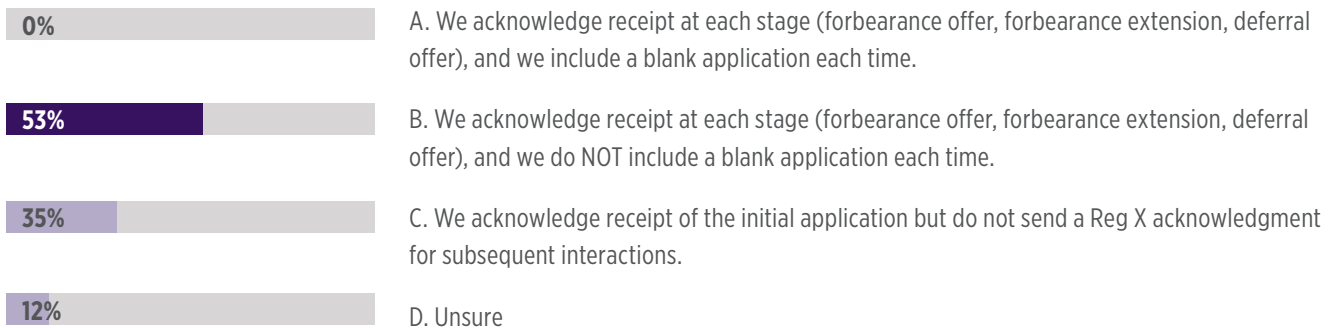
When a borrower requests a CARES Act COVID-19 forbearance but his/her loan is paid ahead by several months (i.e., borrower request is made in mid-July but account is due for the October payment), do you or would you: (07/15/2020)



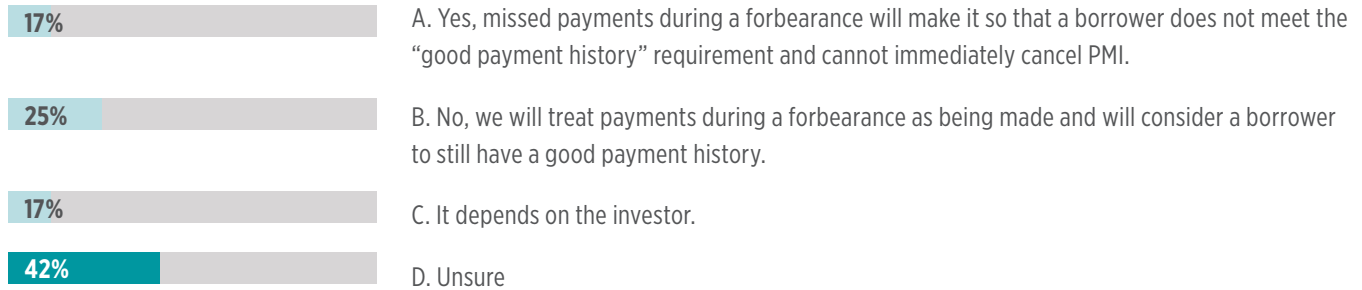
Are you always auto extending the borrower on a 90-day forbearance to a 180-day forbearance if you have lost contact with them? (07/22/2020)



Related to the above question: Throughout the process of offering forbearance, potentially extending a forbearance period, and then offering a deferral, when are you sending a Reg X acknowledgment letter? (09/30/2020)



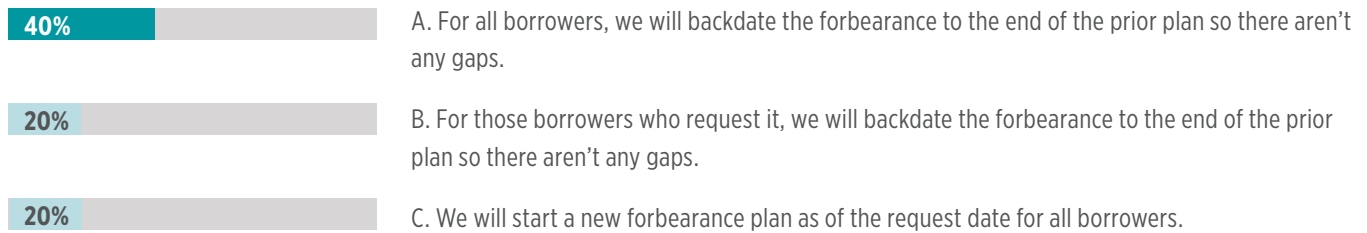
For borrowers with private mortgage insurance (PMI), will being on a forbearance and not making payments impact whether you will cancel PMI upon request? (07/22/2020)



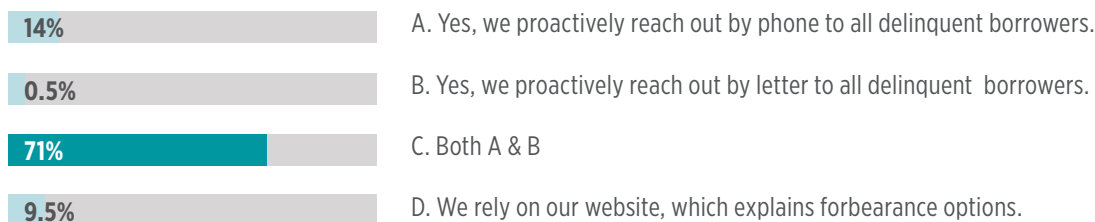
Are you turning late fees and convenience fees back on for loans not in forbearance? (08/19/2020)



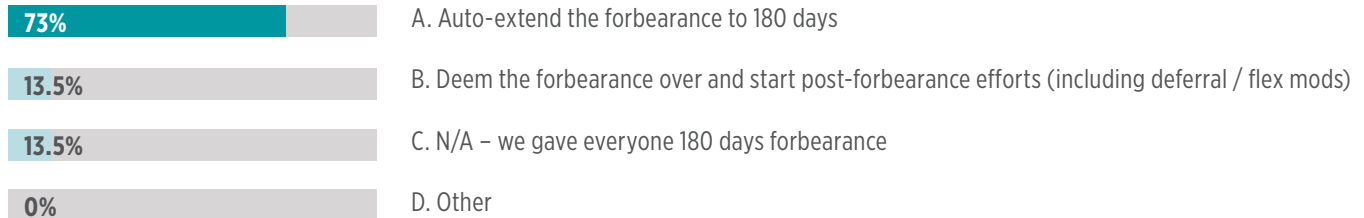
For a loan covered by the CARES Act, if a borrower requests forbearance after the initial six-month forbearance plan has already concluded (e.g., six weeks later), will you (1) backdate the new forbearance plan to the end of the prior plan so there isn’t a gap or (2) start a new plan as of the request date? (08/26/2020)



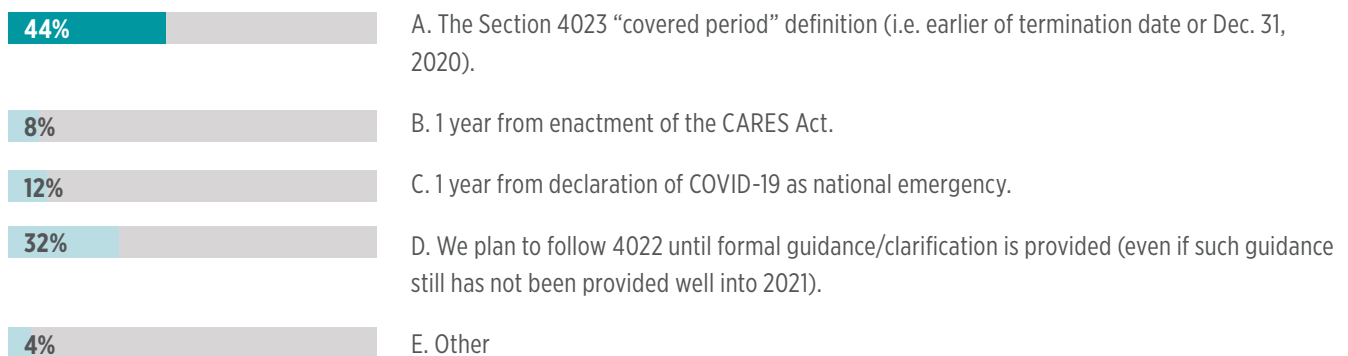
Are you currently making efforts to reach delinquent borrowers about forbearance options? (09/23/2020)



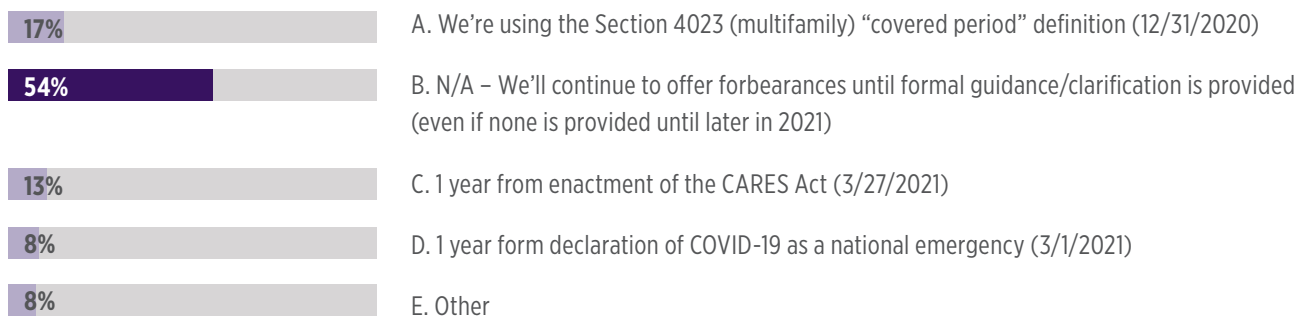
For CARES Loans, if a borrower was given a 90-day forbearance to start, and you lose contact with them, will you: (09/30/2020)



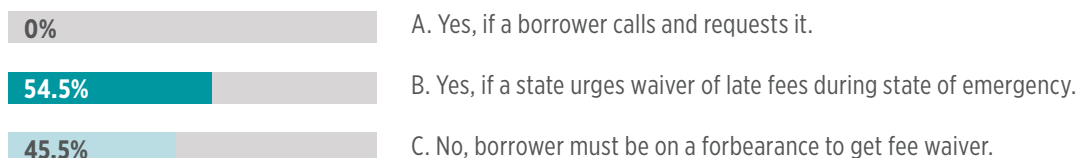
As an institution, are you defining the CARES Act “covered period” under Section 4022 as: (09/30/2020)



Related to the above question: As an institution, how are you defining the end of the CARES Act “covered period” under Section 4022 (12/02/2020)?



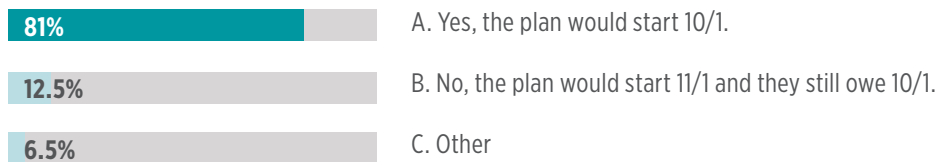
Are you waiving late fees for borrowers who are not in a forbearance? (10/7/2020)



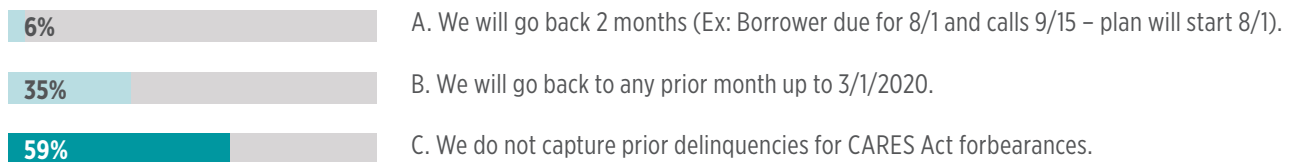
When a borrower is on a COVID forbearance, and as it pertains to the forbearance time period afforded the borrower under the forbearance plan, will you “stop the clock” during any months in which the borrower makes his/her monthly payment? (10/21/2020)



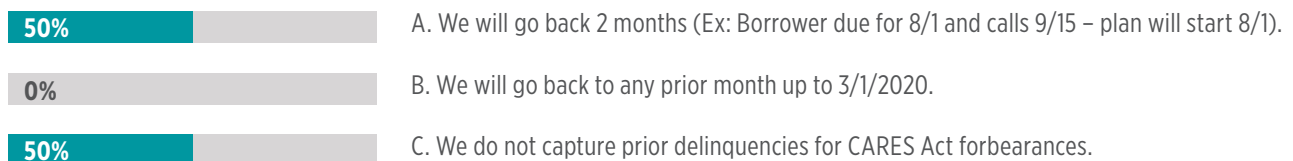
If a borrower calls during month they are due for and requests a CARES forbearance due to COVID-based hardship, do you start their forbearance as of the 1st of that month (Ex: Borrower is due for 10/1 and calls 10/20)? (10/28/2020)



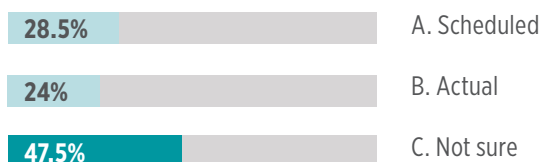
If a borrower is already delinquent more than 30 days when they call to request a CARES forbearance, and they blame their delinquency on a COVID-based hardship, how far back will you start the forbearance? (10/28/2020)



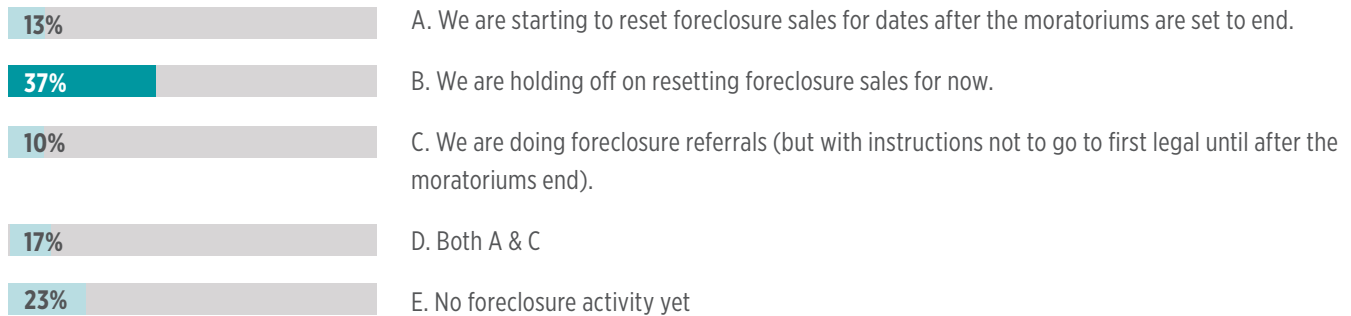
If a borrower obtained a 180-day CARES forbearance but then did not bring their account current (or request another forbearance), are you: (11/4/2020)



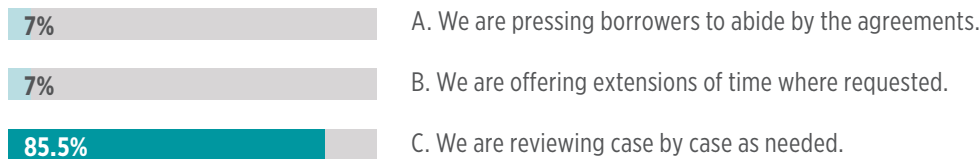
For a borrower who has received a CARES Act forbearance but subsequently requests a payoff statement, will you calculate the interest component of the payoff quote based on the scheduled UPB or based on the actual UPB? (11/18/2020)



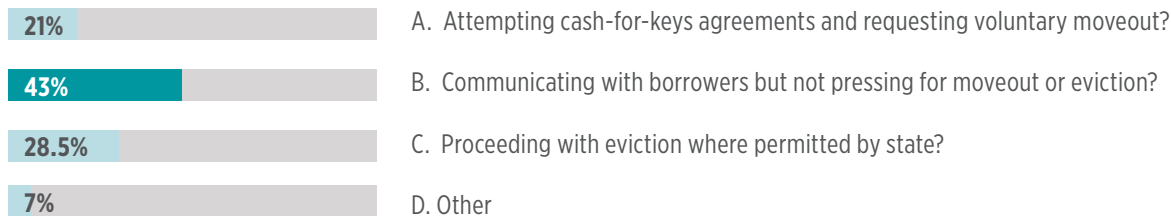
Foreclosures: (05/13/2020)



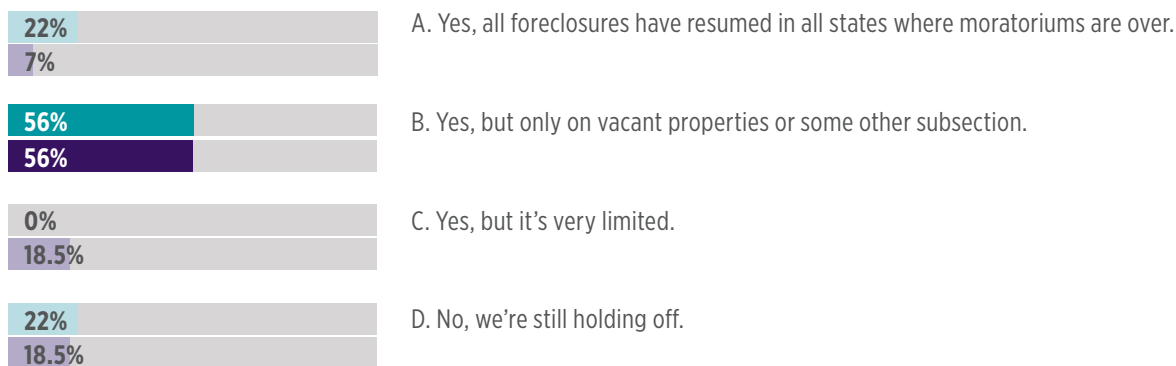
How are you handling previously agreed CFK or consent-to-foreclosure agreements? (06/02/2020)



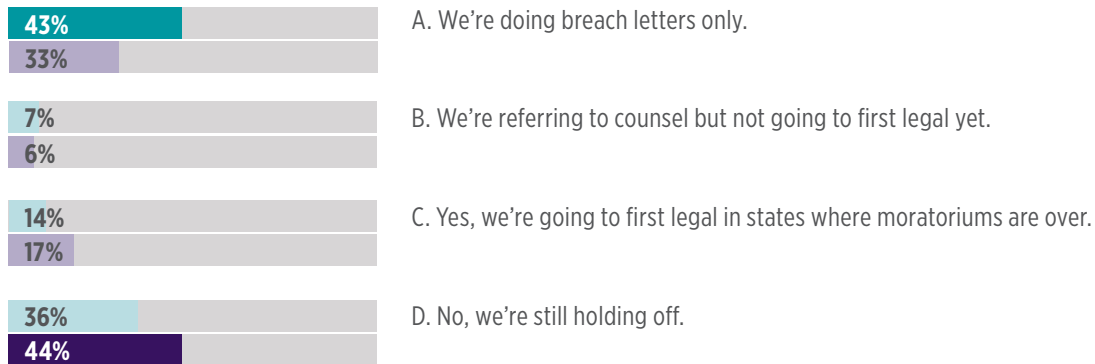
If foreclosure was already completed and the borrower is still in the home, are you: (08/12/2020)



Are you resuming pre-COVID-19 foreclosures for loans not on forbearance? (Polled on 08/26/2020 & 09/23/2020)



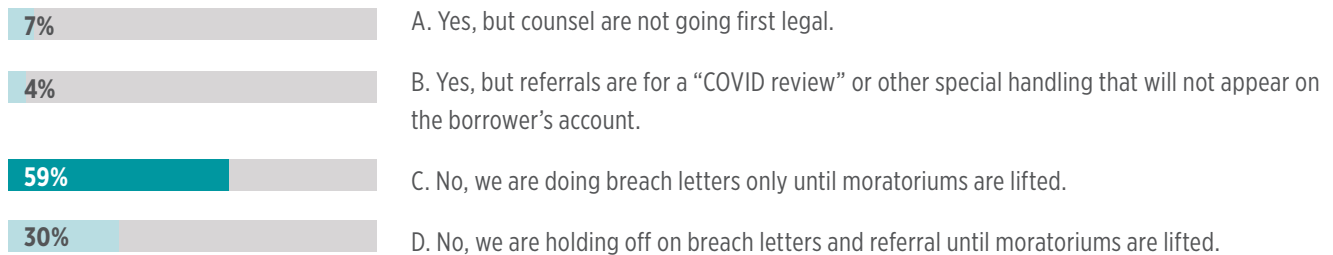
Are you starting NEW foreclosures for loans not in forbearance (non-CARES)? (Polled on 08/26/2020 & 09/23/2020)



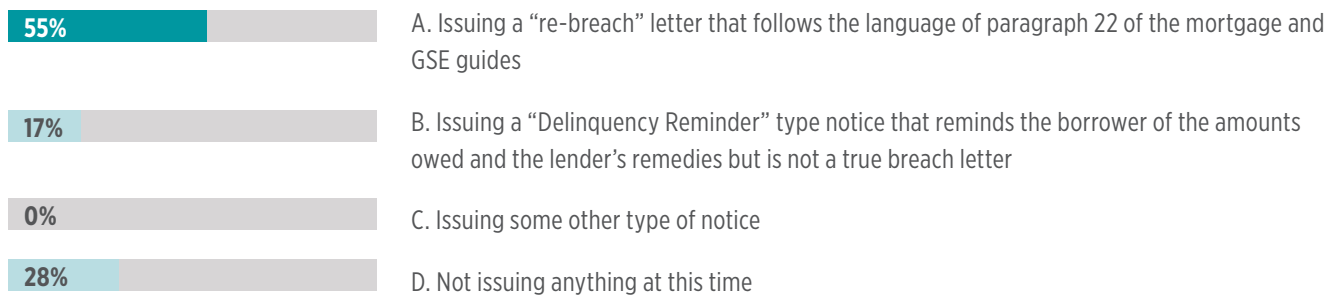
Will you re-breach a borrower who received a breach letter before COVID and was then placed on a forbearance (assuming loss mitigation efforts fail)? (10/21/2020)



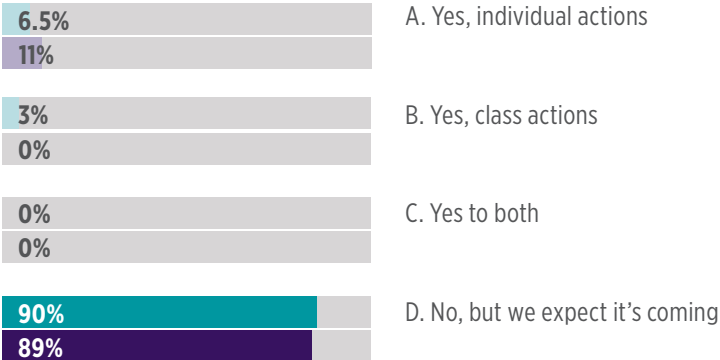
Are you referring any files to foreclosure counsel while moratoriums are in place? (11/18/2020)



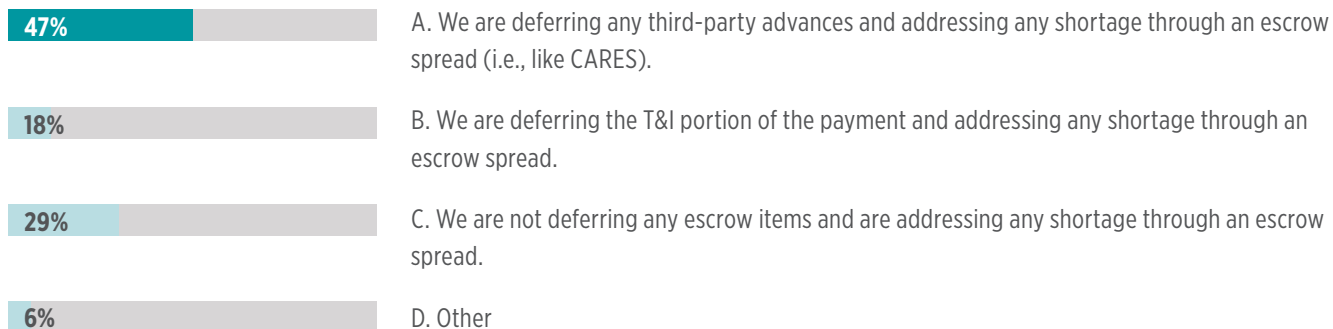
For loans that were delinquent before the foreclosure moratoriums, are you (12/02/2020)



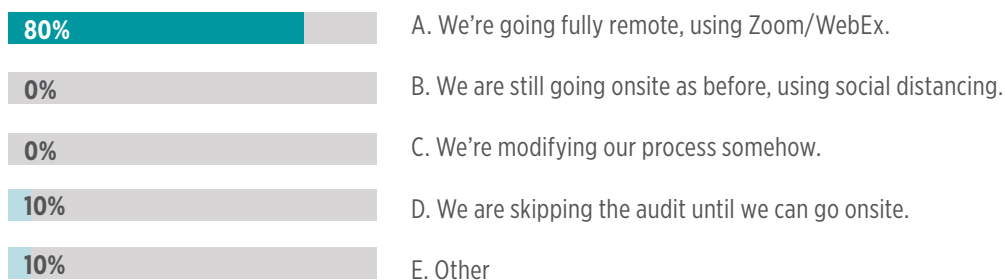
Have you started to receive CARES or forbearance-related litigation? (Polled on 05/20/2020 & 09/16/2020)



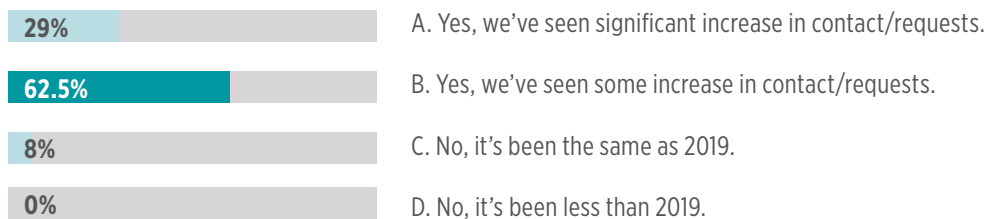
For non-CARES loans, how are you handling escrow after forbearance? (07/29/2020)



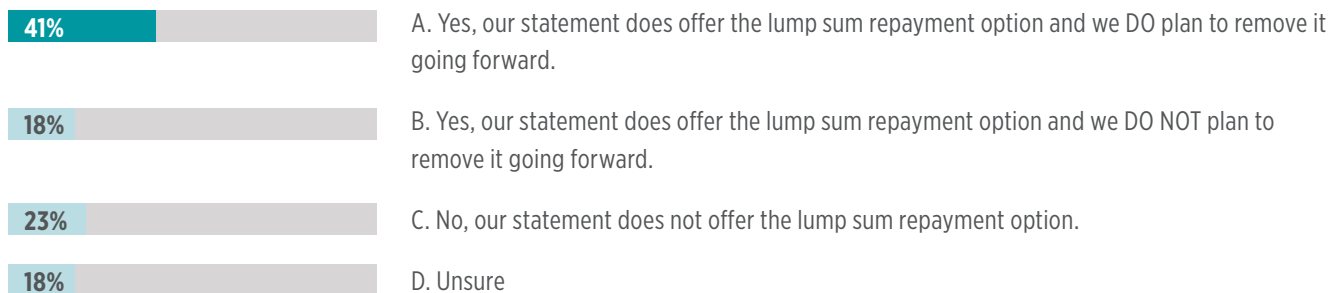
What is your plan for modifying on-site review of vendors in 2020? (08/12/2020)



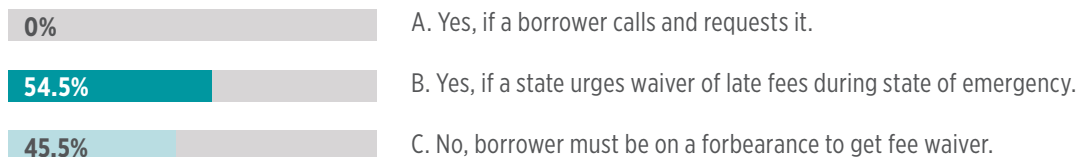
Has regulator outreach to your company increased (document requests, exams, etc.)? (09/16/2020)



Does your annual escrow statement offer a borrower with a shortage of more than 1 month's escrow payment the option of repaying in a lump sum and, if so, do you plan to remove that option? (09/23/2020)



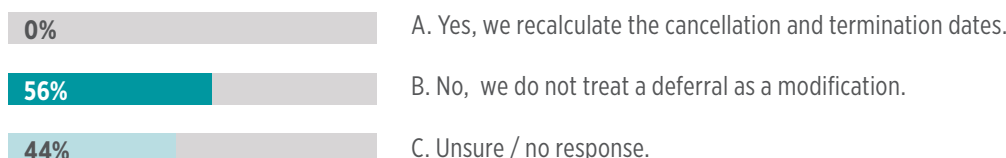
Are you waiving late fees for borrowers who are not in a forbearance? (10/7/2020)



Have you identified your cut-over date to SOFR? (10/28/2020)



In connection with PMI cancellation and termination under the Homeowners Protection Act, are you considering a deferral to be a “modification of the terms or conditions of [the] loan” that triggers a recalculation of cancellation and termination dates? (10/28/2020)



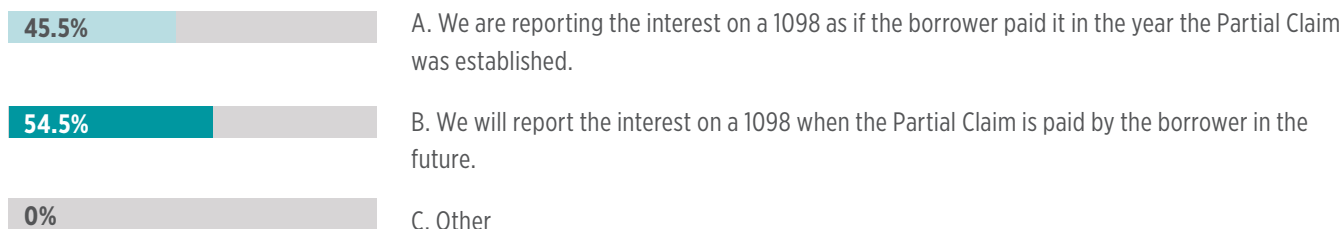
Are you transitioning away from LIBOR before the end of 2021? (10/28/2020)



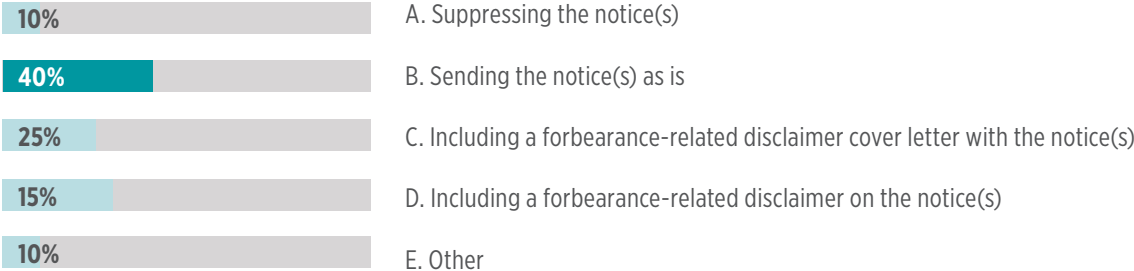
Are you waiting on the GSEs to announce legacy-servicing specific guidance? (10/28/2020)



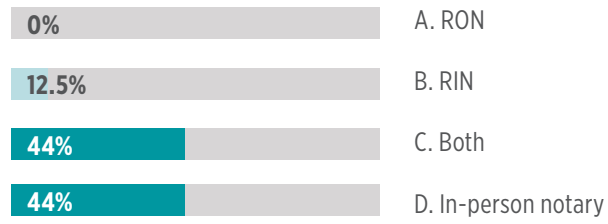
How are you reporting the interest on a borrower’s 1098 Mortgage Interest Statement when they receive a HUD Partial Claim? (11/4/2020)



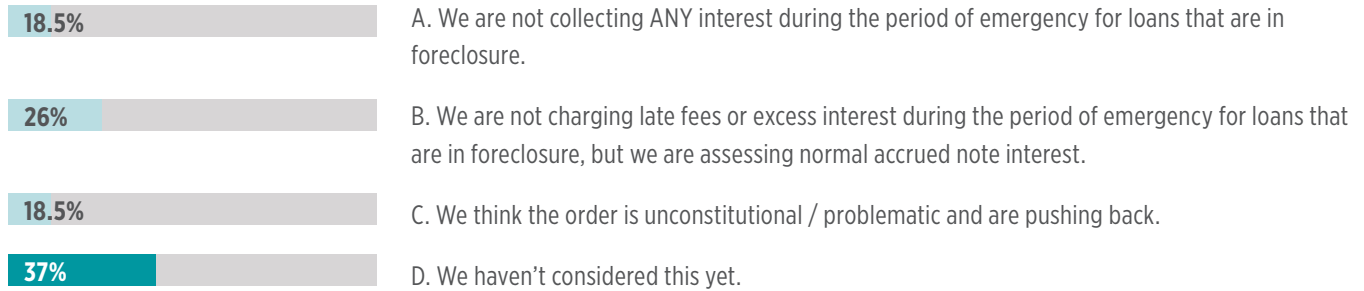
For state and federally-mandated servicing notices that (arguably) must be sent even when a borrower is on a forbearance but that might create some risk/confusion (i.e. CFPB early intervention letter), are you generally (12/09/2020)



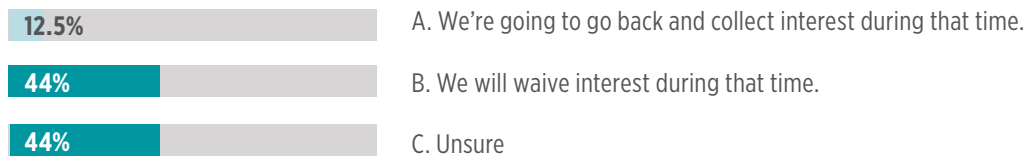
How are you handling notary issues? (04/22/2020)



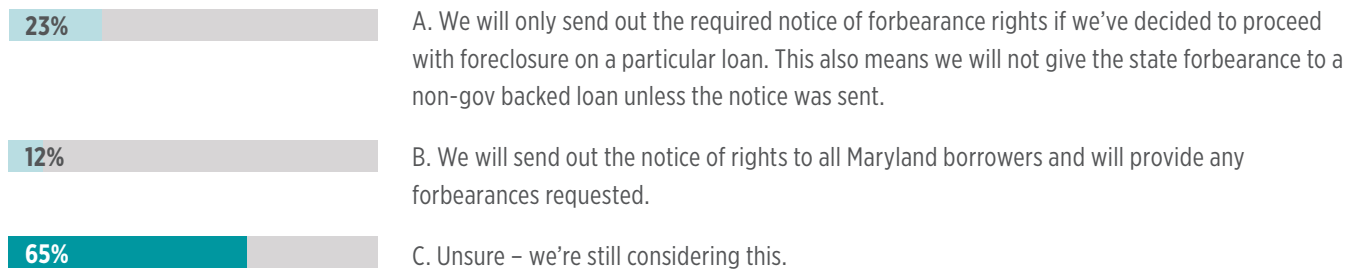
How are you handling Delaware's order? (06/02/2020)



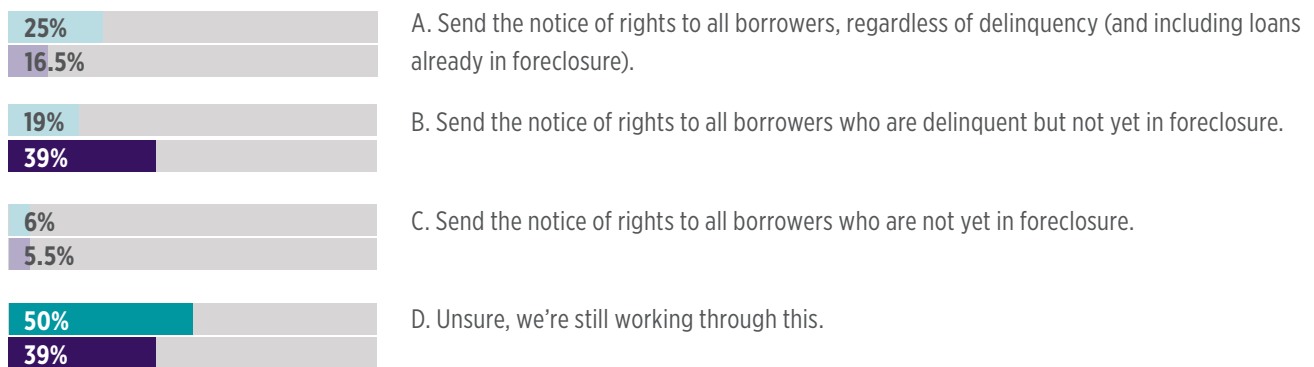
How do you interpret Delaware's 23rd modification regarding collection of interest from March 24, 2020 through June 30, 2020? (07/08/2020)



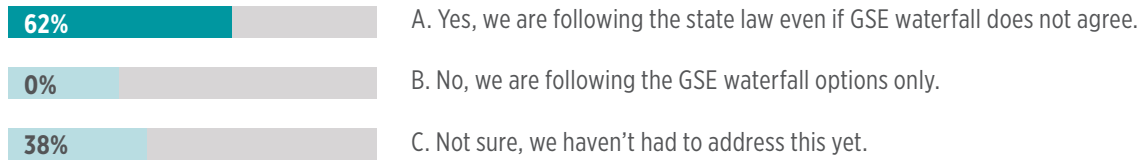
Maryland's new Executive Order requires offering forbearances of up to a year to non-federally backed loans as a condition precedent to filing a new NOI. How are you implementing this order? (10/21/2020)



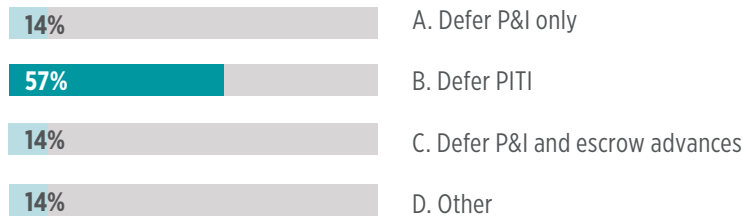
To comply with the new Maryland Executive Order regarding non-federally backed mortgage loans, will you: (Polled on 11/04/2020 & 12/09/2020)



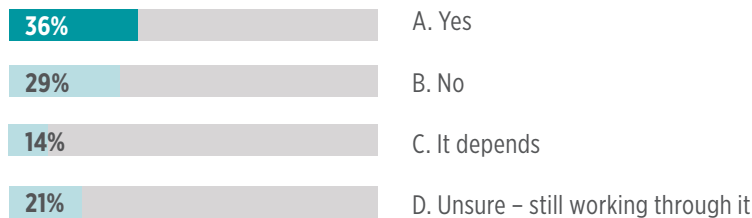
Are you offering deferrals or extensions for GSE Loans under the MA & OR state laws if borrower insists? (09/08/2020)



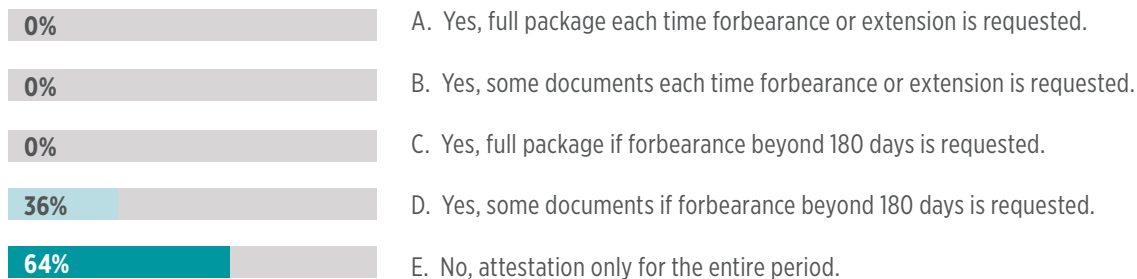
Massachusetts & Oregon: Where a GSE borrower does not receive a flex modification, how are you handling the state requirement to defer the forbore amounts? (10/21/2020)



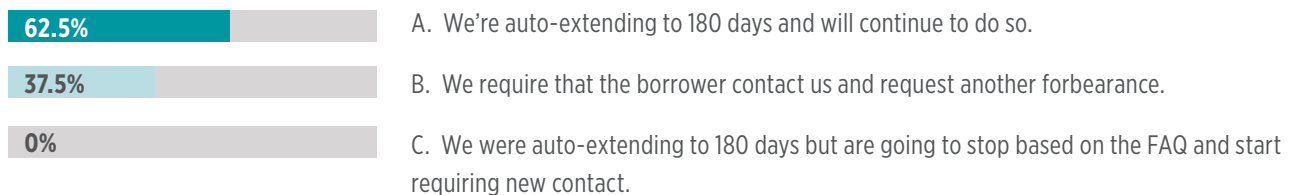
Massachusetts Act 65 prohibited initiation of the foreclosure process from 4/20/2020 to 10/17/2020. Are you re-breaching in Massachusetts? (11/4/2020)



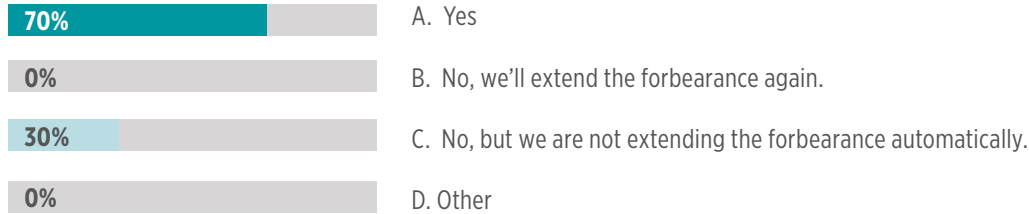
Are you asking for a package to “demonstrate financial hardship” in New York? (08/12/2020)



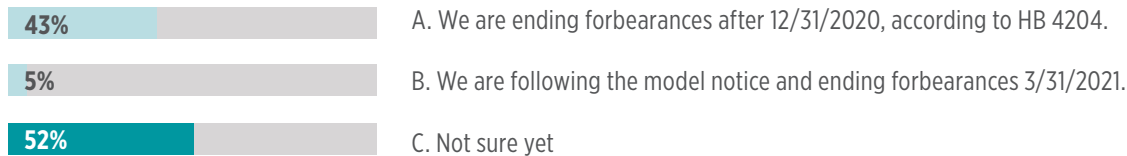
How are you handling the expiration of a borrower’s 90-day forbearance under the New York Executive Order if you are unable to make contact with the borrower? (08/12/2020)



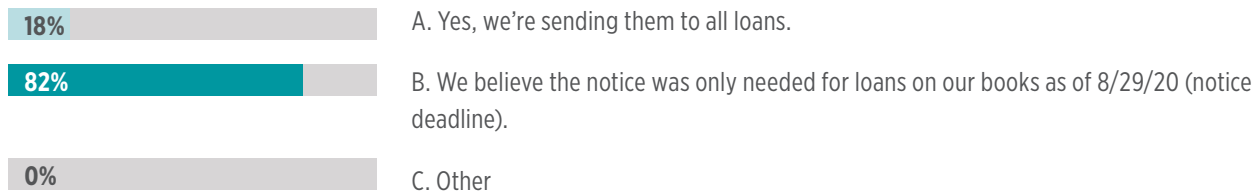
If borrower has received 180 days forbearance in New York and won't make contact, will you defer to maturity at that point? (08/12/2020)



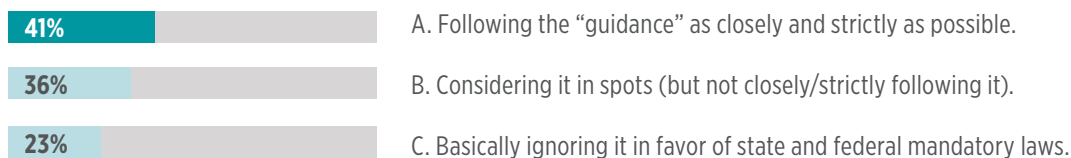
In Oregon, are you allowing accommodations under HB 4204 according to the definition of Emergency Period (ending 12/31/2020) or the Emergency Period + 90 days (3/31/2021) as stated in Oregon's model notice of rights (12/09/2020)?



Have you continued to send Oregon Notice of Rights to newly originated loans (12/09/2020)?



With respect to state regulatory "guidance" (such as the Texas OCC's "Regulated Lender Advisory Bulletin: Coronavirus Emergency Measures"), are you: (09/30/2020)



COVID-19 Mortgage Servicing Roundtable Team



Robert Maddox
Partner
Birmingham
rmaddox@bradley.com
205.521.8454



Christian W. Hancock
Partner
Charlotte
chancock@bradley.com
704.338.6005



Jason R. Bushby
Partner
Birmingham
jbushby@bradley.com
205.521.8086



Jonathan R. Kolodziej
Partner
Birmingham
jkolodziej@bradley.com
205.521.8235