

WFG Underwriting Bulletin



To: All Indiana Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: May 29, 2020
Bulletin No.: IN 2020-05
Subject: COVID-19 – CARES Act and Federally Backed Mortgage Foreclosures

To all WFG Agents doing business in Indiana,

As many of you are aware, on March 27, 2020 Congress enacted the Coronavirus Aid, Relief and Economic Security Act of 2020 (“CARES Act”). The CARES Act provides for various forms of financial relief due to the COVID-19 Virus Pandemic.

Section 4022, in particular, provides a **moratorium** on **residential foreclosures** for borrowers with **federally backed 1-4 family mortgage loans** and addresses the right of a homeowner to request a forbearance from payment on these loans. The requirements **only apply to federally backed mortgages** which are loans insured or guaranteed by **FHA, VA, USDA or loans that are owned or securitized by Fannie Mae or Freddie Mac**. The moratorium does not apply to vacant or abandoned property or private bank loans.

Under the Act, no mortgage servicer of any federally backed 1-4 family mortgage loan is permitted to do the following for a 60-day period beginning March 18, 2020 and ending May 17, 2020, and now further extended until **June 30, 2020**:

- a) Initiate any judicial or non-judicial foreclosure process;
- b) File a motion for foreclosure judgment or order of sale; or
- c) Execute a foreclosure-related eviction or foreclosure sale.

Section 4022 also allows a borrower on a federally backed 1-4 family mortgage loan to request a forbearance from payment up to 180 days with the right to request an additional 180-day extension. Section 4023 allows a borrower on certain federally backed multi-family mortgages to request forbearance for up to 30 days with two 30-day extensions. As a result of the federal and state law foreclosure moratoriums, until further notice, you are required to obtain approval from a Company Underwriter to insure title or issue a policy based on a foreclosure action.

If you have any questions regarding this bulletin or if you need any additional information, please contact: **Stanley J. Czaja**, WFG Indiana State Underwriting Counsel
(773) 706-3779 | SCzaja@wfgnationaltitle.com



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NOTE: The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.