



COMMONWEALTH OF MASSACHUSETTS

Office of Consumer Affairs and Business Regulation

DIVISION OF BANKS

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Message to Massachusetts Financial Institutions, Mortgage Lenders, and Mortgage Loan Servicers Regarding Support for Mortgage Loan Borrowers Impacted by the Novel Coronavirus (COVID-19)

The Massachusetts Division of Banks (Division) recognizes the potential for the unprecedented pandemic outbreak of Coronavirus Disease (COVID-19) to adversely affect Massachusetts mortgage loan borrowers. The Commonwealth of Massachusetts and U.S. Federal Government have declared states of emergency. The public health and economic impact from the spread of COVID-19 could dramatically impact the Commonwealth, causing increased risk of foreclosure for Massachusetts homeowners. It is essential that government and financial sector business leaders conducting business in the Commonwealth take appropriate steps to provide assistance to these impacted homeowners.

The Division recognizes and appreciates that some financial institutions, mortgage lenders, and servicers have already announced the initiation of proactive steps to assist borrowers in Massachusetts at risk of losing their homes, including postponing foreclosures, forbearing mortgage payments, and waiving associated fees.

In anticipation of significant disruption and financial hardship related to the COVID-19 pandemic, the Division fully expects all regulated financial institutions including Massachusetts chartered banks, credit unions, lenders, and servicers to alleviate the adverse impact of COVID-19 on those mortgage borrowers who demonstrate that they are not able to make timely payments due to financial hardship resulting from the effects of COVID-19.

The Division fully expects that institutions will implement all reasonable and necessary change to provide relief to those adversely impacted borrowers during this state of emergency, and continuing thereafter, as necessary. These actions include, but are not limited to:

- Postponing foreclosures for 60 days;
- Forbearing mortgage payments for 60 or more days from their due dates;
- Waiving late payment fees and any online payment fees for a period of 60 days;

- Refraining from reporting late payments to credit rating agencies for 60 days;
- Offering borrowers an additional 60-day grace period to complete trial loan modifications, and ensuring that late payments during the COVID-19 pandemic do not affect their ability to obtain permanent loan modifications;
- Ensuring that borrowers do not experience a disruption of service if the mortgage servicer closes its office, including making available other avenues for borrowers to continue to manage their accounts and to make inquiries; and
- Proactively reaching out to borrowers to explain the above-listed assistance being offered.

The Division emphasizes that reasonable and prudent efforts by your institutions during this outbreak to assist these borrowers given these unusual and extreme circumstances are consistent with safe and sound banking practices as well as in the public interest, and will not be subject to examiner criticism.