



A Message from Apex Home Loans on Mortgage Forbearance:

We hope this message finds you doing well and staying safe.

Mortgage Forbearance Rights

To help lessen the impact of those affected by the COVID-19 pandemic, the government has granted forbearance rights to borrowers under the CARES Act. (Forbearance is granted only if you have a federally-backed mortgage owned by Fannie Mae, Freddie Mac, FHA, or VA.)

It is essential that you are aware of the potential negative impact of an early forbearance request, if your loan just recently closed.

What this all means to you...

Based on current guidance from Fannie Mae and Freddie Mac, if a borrower requests forbearance BEFORE their loan is sold/transferred to either agency, then that loan is no longer eligible for purchase by Fannie Mae and Freddie Mac. This would mean your loan would NOT be a federally-backed mortgage and may make your loan ineligible for any related forbearance program.

Further, we are currently advising that you do not request forbearance within 60 days of closing to help avoid this (and other) unintended consequence(s).

Additionally, we are advising that forbearance is only requested if absolutely necessary, as forbearance is [NOT loan payment forgiveness](#). And while the CARES Act specifies that forbearance does not count as a mortgage “late payment(s)” it is being required to be reported to the credit bureaus.

As of this writing, we don’t yet know how lenders will view a forbearance event in the years to come and whether it will impact a borrower’s ability to obtain future credit.

Here is an [easy-to-understand video](#) recently released by the CFPB about forbearance under the CARES Act (<https://youtu.be/br5EPugsnLs>). We suggest you view it (it’s less than 4 minutes) and thoroughly research forbearance for yourself prior to considering any request to pursue such action.

Stay safe. Be well. As always, we invite you to reach out to your Mortgage Team with any questions.