



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-40-2020
April 10, 2020

Supervisory and Enforcement Practices Regarding the Mortgage Servicing Rules in Response to COVID-19 and the CARES Act

Summary: The FDIC, the Consumer Financial Protection Bureau, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the National Credit Union Administration, and the Conference of State Bank Supervisors (the agencies) issued a joint statement on April 3, 2020, to announce the agencies' flexible supervisory and enforcement approach during the COVID-19 emergency regarding certain consumer communications required by the mortgage servicing rules. The agencies recognize the serious impact the COVID-19 emergency may have on consumers and on the operations of many supervised entities, including mortgage servicers.

Statement of Applicability to Institutions Under \$1 Billion in Total Assets: This Financial Institution Letter (FIL) applies to all FDIC-supervised institutions.

Distribution:

FDIC-Supervised Institutions

Suggested Routing:

Chief Executive Officer
Chief Lending Officer
Chief Compliance Officer

Attachment:

[Joint Statement on Supervisory and Enforcement Practices Regarding the Mortgage Servicing Rules in Response to the COVID-19 Emergency and the CARES Act](#)

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Highlights:

- On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub. L. 116-136. Among other things, under the CARES Act, borrowers with federally backed mortgage loans experiencing a financial hardship due, directly or indirectly, to the COVID-19 emergency, may request a forbearance by making a request to their mortgage servicer and affirming that they are experiencing a financial hardship during the COVID-19 emergency. A forbearance under the CARES Act qualifies as a short-term payment forbearance program under Regulation X.
- The agencies issued this joint statement to announce their supervisory and enforcement flexibility related to certain Regulation X mortgage servicing requirements.
- Specifically, if a mortgage servicer provides a borrower a short-term forbearance payment option, the agencies do not intend to take supervisory or enforcement action for failing to meet certain timing requirements for consumer communications related to incomplete application acknowledgement, loss mitigation and early intervention, and annual escrow statements, provided that the servicer makes good faith efforts to provide these notices within a reasonable time.
- Small servicers are already not subject to many of the requirements in the Regulation X mortgage servicing rules described in the joint statement, including the early intervention and the loss mitigation requirements.