

COVID-19 Mortgage Servicing Trends Report

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.

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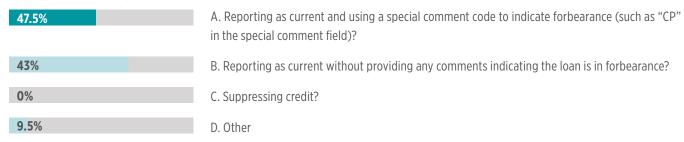
Credit Reporting



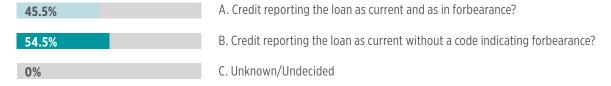
How is your company handling credit reporting forbearances? (04/22/2020)

17%	A. We are following the CDIA's 4/7/2020 guidance and reporting current/delinquent.
67%	B. We are reporting anyone on forbearance as "current."
17%	C. We are suppressing reporting for anyone on a forbearance.
0%	D. Other

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)

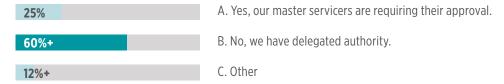




How are you handling escrow issues and deferral? (04/29/2020)

50%	A. Deferring taxes and insurance payment amount and funding escrow for same amount during forbearance
20%	B. Deferring tax or insurance advances only
30%	C. Not deferring escrow in any way

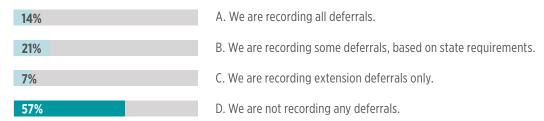
Are your master servicers, or other interested parties, requiring approval of modifications, deferrals, or other servicer programs? (04/29/2020)



Signatures on deferrals: (05/06/2020)

24%	A. We require signatures for deferrals.
16%	B. We do not require signatures for deferrals.
60%	C. We haven't done deferrals yet.

Recording deferrals: (05/13/2020)



Are you planning on implementing a similar GSE-like deferral program for non-GSE loans? (5/20/2020)

58%	A. Yes
9.5%	B. No
32%	C. Unsure / haven't decided

Are you planning on implementing the GSE deferral program by July 1? (5/20/2020)

36%	A. Yes, we will accept some risk.
12%	B. No, we are waiting for further guidance.
52%	C. Unsure / haven't decided



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

48%	A. Deferral with balloon payment at maturity (same as GSEs)
15%	B. Extension of maturity date
18.5%	C. Capitalizing delinquent amounts and re-amortizing loan (i.e., a mod)
18.5%	D. Other

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)

57%	A. We are waiving all late fees, regardless of when they were assessed.
21%	B. We are only waiving late fees that were assessed since the COVID-19 pandemic began.
21%	C. Unsure

As a part of a deferral offer made pursuant to the CFPB's new Interim Final Rule, are you waiving: (07/08/2020)

0%	A. All fees and charges, including property preservation fees, attorneys' fees, and other expenses paid to third parties.
93%	B. Only late fees, penalties, stop payment fees, etc. (i.e., you will defer/collect and not waive property preservation fees, attorneys' fees, and other expenses paid to third parties)
7 %	C. Unsure

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

54.5%	A. We are following the GSE format and creating a balloon payment at maturity.
4.5%	B. We are extending maturity to avoid the balloon payment.
4.5%	C. We are using a loan modification to extend maturity.
36%	D. Unsure

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)

22%	A. If within certain parameters, we're deferring the entire arrearage.
11%	B. We're only deferring COVID-19 related months.
44%	C. We are doing both, depending on investor requirements.
22%	D. Other

Forbearance



What are you using to document borrower's "attestation" of financial distress? (04/22/2020)

31%	A. Phone calls with borrower
23%	B. Emails or letters from borrower
0%	C. Text messages from borrower
9%	D. Borrower's answers to telephone voice system
37%	E. Any of the above

Incomplete package notices: (04/22/2020)

18.5%	A. We are sending out separate letters that cover the acknowledgement and the special offer language requirements.
11%	B. We are not considering CARES Act forbearance conversations to be incomplete loss mitigation applications.
63%	C. We are combining the acknowledgement and the special offer language into our forbearance offer.
7 %	D. We haven't figured this out yet.

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

20%	A. We are extending the time for the TPP to be fulfilled.
40%	B. We are cancelling the TPP and giving a forbearance if requested.
20%	C. We are giving the forbearance but keeping the TPP open on our system.
20%	D. Other

Forbearances and foreclosures: (04/22/2020)

59%	A. We are giving borrowers in foreclosure CARES Act forbearances.
33%	B. We are NOT giving borrowers in foreclosure CARES Act forbearances.
7%	C. We haven't figured this out yet.
0%	D. Other

Signatures on forbearances: (05/06/2020)

Signatures on forbearances. (05/00/2020)	
8%	A. We require signatures for all forbearances.
12%	B. We require signatures for only non-CARES forbearances.
0%	C. We require signatures for only CARES forbearances.
80%	D. We do not require signatures for any forbearances.

Forbearance



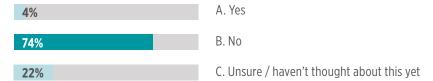
Consecutive forbearances: (05/13/2020)

17%	A. CARES Act forbearances have to be consecutive with no breaks.
34%	B. We are offering multiple forbearances, even if there is a break.
48%	C. We haven't considered this yet.

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

48%	A. We will give a forbearance to these borrowers.
25%	B. We will give a foreclosure moratorium (beyond the state requirements).
28%	C. Neither a forbearance nor an additional foreclosure moratorium are given.

If a borrower makes a payment during a forbearance period, are you extending the term of the plan by a month? (5/20/2020)



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)

50%	A. 0-100
17%	B. 100+
8%	C. 500+
25%	D. 1000+

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

48%	A. Attestation only
44%	B. Something between attestation and full package
8%	C. Full loss mitigation package

Forbearance



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)

31%	A. Give forbearance with immediate effective date, meaning that the borrower will get a forbearance for several months when he/she does not need it and arguably gets no benefit.
20.5%	B. Give forbearance with (future) effective date as of date next payment is due.
24%	C. Tell borrower that he/she should call back in a few months to request forbearance.
24%	D. Other/haven't considered this yet

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)

50%	A. Yes
33%	B. No
17%	C. Other

Are you turning late fees and convenience fees back on for loans not in forbearance?



How are you using comment codes for credit reporting during forbearance?

35%	A. 11 + comment code AW
15%	B. 11 + comment code CP
50%	C. 11 and no comment code
0%	D. Other

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)

40%	A. For all borrowers, we will backdate the forbearance to the end of the prior plan so there aren't any gaps.
20%	B. For those borrowers who request it, we will backdate the forbearance to the end of the prior plan so there aren't any gaps.
20%	C. We will start a new forbearance plan as of the request date for all borrowers.

Litigation



Have you started to receive CARES or forbearance-related litigation? (5/20/2020)

6.5%	A. Yes, individual actions
3%	B. Yes, class actions
0%	C. Yes to both
90%	D. No, but we expect it's coming

Normal Servicing



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

60%	A. Yes for all
26%	B. Yes, unless they meet the delinquency exception under RESPA
13%	C. No, we're suppressing them and will address escrow once the forbearance is over
1%	D. Other

Foreclosures: (05/13/2020)

13%	A. We are starting to reset foreclosure sales for dates after the moratoriums are set to end.
37%	B. We are holding off on resetting foreclosure sales for now.
10%	C. We are doing foreclosure referrals (but with instructions not to go to first legal until after the moratoriums end).
17%	D. Both A & C
23%	E. No foreclosure activity yet

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

7 %	A. We are pressing borrowers to abide by the agreements.
7%	B. We are offering extensions of time where requested.
85.5%	C. We are reviewing case by case as needed.

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)

17%	A. Yes, missed payments during a forbearance will make it so that a borrower does not meet the "good payment history" requirement and cannot immediately cancel PMI.
25%	B. No, we will treat payments during a forbearance as being made and will consider a borrower to still have a good payment history.
17%	C. It depends on the investor.
42%	D. Unsure

Normal Servicing



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

47%	A. We are deferring any third-party advances and addressing any shortage through an escrow spread (i.e., like CARES).
18%	B. We are deferring the T&I portion of the payment and addressing any shortage through an escrow spread.
29%	C. We are not deferring any escrow items and are addressing any shortage through an escrow spread.
6%	D. Other

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

21%	A. Attempting cash-for-keys agreements and requesting voluntary moveout?
43%	B. Communicating with borrowers but not pressing for moveout or eviction?
28.5%	C. Proceeding with eviction where permitted by state?
7%	D. Other

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

80%	A. We're going fully remote, using Zoom/WebEx.
0%	B. We are still going onsite as before, using social distancing.
0%	C. We're modifying our process somehow.
10%	D. We are skipping the audit until we can go onsite.
10%	E. Other

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

22%	A. Yes, all foreclosures have resumed in all states where moratoriums are over.
56%	B. Yes, but only on vacant properties or some other subsection.
0%	C. Yes, but it's very limited.
22%	D. No, we're still holding off.

Are you starting new foreclosures for loans not on forbearance? (08/26/2020)

43%	A. We're doing breach letters only.
7%	B. We're referring to counsel but not going to first legal yet.
14%	C. Yes, we're going to first legal in states where moratoriums are over.
36%	D. No, we're still holding off.

Notary



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

0%	A. RON
12.5%	B. RIN
44%	C. Both
44%	D. In-person notary

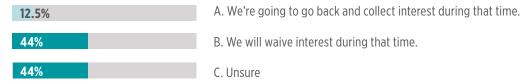
State Specifics



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

18.5%	A. We are not collecting ANY interest during the period of emergency for loans that are in foreclosure.
26%	B. We are not charging late fees or excess interest during the period of emergency for loans that are in foreclosure, but we are assessing normal accrued note interest.
18.5%	C. We think the order is unconstitutional / problematic and are pushing back.
37%	D. We haven't considered this yet.

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



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

0%	A. Yes, full package each time forbearance or extension is requested.
0%	B. Yes, some documents each time forbearance or extension is requested.
0%	C. Yes, full package if forbearance beyond 180 days is requested.
36%	D. Yes, some documents if forbearance beyond 180 days is requested.
64%	E. No, attestation only for the entire period.

State Specifics



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)

62.5%	A. We're auto-extending to 180 days and will continue to do so.
37.5%	B. We require that the borrower contact us and request another forbearance.
0%	C. We were auto-extending to 180 days but are going to stop based on the FAQ and start
	requiring new contact.

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)

70%	A. Yes
0%	B. No, we'll extend the forbearance again.
30%	C. No, but we are not extending the forbearance automatically.
0%	D. Other

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