

# Mortgage, Auto, School Loan Information During Coronavirus

## MORTGAGES: WHAT IF I CAN'T PAY MY MORTGAGE?

1. Lenders or servicers of federal backed mortgages may not foreclose homeowners who fail to make required payments on a mortgage during the coronavirus pandemic.
2. If you are experiencing economic hardship due to the coronavirus pandemic, you have a right to either defer or reduce your payments for up to 180 days and to request an extension up to an additional 180 days. You MUST contact your mortgage servicer to request this forbearance.
3. Forbearance is not free. You will have to pay back what is owed after the forbearance period including regular interest. Not all forbearance repayment plans are the same (interest due and repayment schedule.) See Lendingtree link below for more details.
4. No additional documentation is required to qualify for this forbearance.
5. Be very careful to understand your options and only agree to realistic and reasonable terms for repayment after the forbearance period. No one knows how long the pandemic will last, nor how quickly the economy or the job market will recover after the pandemic. You are not required to make an immediate lump sum payment after the forbearance period ends in most cases(5). Mortgage servicers are required by federal agencies to work with homeowners in good faith(6).
6. FHA, VA, USDA, Fannie Mae, and Freddie Mac Loans are federally backed loans. Still unsure if your mortgage qualifies? Ask your mortgage servicer.
7. Non-government backed or private loans may have forbearance options. Contact your mortgage servicer for options.
8. If you are able to keep paying your mortgage, please do.
9. Watch out for scams contacting you to help reduce your mortgage payments. Only work directly with your mortgage servicer.

### Additional Resources:

[Lending Tree Pros and Cons for Forbearance](#)

CARES Act Mortgage Forbearance: What You Need to Know—

[consumerfinance.gov](https://www.consumerfinance.gov): <https://youtu.be/br5EPugsnLs>

<https://www.consumerfinance.gov/about-us/blog/guide-coronavirus-mortgage-relief-options/>

<https://www.usa.gov/mortgages>

<https://www.bankrate.com/mortgages/mortgage-lenders-offer-help-to-borrowers-affected-by-coronavirus/>

[Many Struggling Homeowners Not Getting The Mortgage Relief U.S. Promised \(04/07/2020\):](#)

[Agencies issue revised interagency statement on loan modifications by financial institutions working with customers affected by the coronavirus \(04/07/2020\):](#)

[Federal agencies encourage mortgage servicers to work with struggling homeowners affected by Coronavirus \(04/02/2020\):](#)

## AUTO LOANS: WHAT IF I CAN'T PAY MY CAR LOAN?

Some lenders are allowing people to temporarily pause payments.

[Credit Karma - Coronavirus](#)

[US News - What To Do If You Can't Make Your Car Payment](#)

[Edmunds - Coronavirus Car Payment Relief Programs](#)



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## SCHOOL LOANS: WHAT IF I CAN'T PAY MY SCHOOL LOANS?

Good news! The U.S. Department of Education has automatically placed an administrative forbearance on federal student loans, which allows you to temporarily stop making your monthly loan payment. This will last until September 30, 2020. You can still make payments if you choose.

Additionally, the interest rate has automatically been set to 0% (through September 30, 2020) on the following types of federal student loans:

- Defaulted and nondefaulted Direct Loans
- Defaulted and nondefaulted FFEL Program loans
- Federal Perkins Loans

For more information [click here](#).

Private Student Loans:

Unfortunately, private student loans are not covered by the CARES act. Each student loan provider has its own policies regarding payment assistance.

But many private student loan providers are offering forbearance and other payment relief during this pandemic. The following article lists 24 private loan providers and the relief they are offering. If your provider is not on the list, it does not mean they are not offering relief. Call your provider and ask what your options are. For more information, [click here](#).

## CAR TITLE AND PAYDAY HIGH INTEREST LOANS -- WHY YOU NEED TO AVOID

In these times of financial insecurity, it's easy to see any sort of loan as a desirable solution – but we advise you to always seek wisdom with any sort of debt, with extra warning to the following sorts of loans which are almost never a wise decision:

- Title loans- these loans require you to put forward a title, usually for a vehicle, as collateral on the loan. They have incredibly high fees and interest associated with them, and the added stress of potentially losing your vehicle if you do not repay.
- Payday loans – these are very short term in nature with incredibly high interest rates. It's easy to get trapped into a cycle of debt, so much so that legislation in parts of the country has been enacted to limit unfair practices made via these loans.
- Tax refund anticipation loans – these also have high interest rates, so much so that if your tax return is delayed, you could be responsible to repay the difference when your return is distributed.
- Credit card cash advances – these are associated with high interest rates as well as fees in many cases.

Remember that while these and other debt offerings can seem like short term solutions, they can come with serious long-term consequences. Try to seek additional income or find expenses you can eliminate before considering taking on any sort of debt. Seek biblical wisdom and counsel and remember that the borrower is slave to the lender (Proverbs 22:7).



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## Helpful Links:

[Nerd Wallet – Car Title Loans](#)

[NBC News – Car Title Loans](#)

