

Loan Forbearance Now Available for Multifamily Property Owners

At the direction of the Federal Housing Finance Authority, both Fannie Mae and Freddie Mac have now implemented temporary loan forbearance programs for multifamily borrowers/owners in return for a promise not to evict tenants who are economically impacted by the pandemic. Highlights from the Fannie Mae official guidance includes the following:

- The borrower demonstrates a negative impact from the COVID-19 emergency.
- A borrower may request forbearance on its loan if payments are current.
- The servicer will send a [simplified form of pre-negotiation letter](#) to the borrower.
- If the servicer finds that forbearance is necessary due to the impact of Covid-19, the servicer and borrower will execute a [standard Forbearance Agreement](#) for up to 3 monthly payments.
- The borrower must suspend all evictions of impacted tenants **for the longer of** 90 days after the forbearance agreement effective date, or until the mortgage loan is brought current, and allow tenants to make up missed rent payments in 12 installments.
- The borrower must bring the Mortgage Loan current within the earlier of (i) 12 months after the end of the forbearance period, or (ii) borrower's receipt of Business Income insurance proceeds or proceeds from any other assistance or relief program, as applicable.

If you may qualify for a loan forbearance, please contact Andrew Spilkin at (248) 743-6029 or aspilkin@bodmanlaw.com or your Bodman PLC attorney to discuss all of the terms and conditions imposed by these forbearance programs.