

This section of the CARES Act pertains to Credit Card and Mortgage allowable delays in payments, and the general rules and deadlines for each.

Credit Card Protections

You can defer 1 or more credit card payments, temporarily called “accommodations”. This means you can delay making your payment without being classified as delinquent and incurring any penalties for these delayed payments. This program will continue until 120 days after National Emergency Act terminates. Note: if you have a previous delinquent status on your credit card(s), this delinquent status will not change. Reminder- you still have to make minimum payments once the 120 days is completed, and it is our understanding that your new minimum will include delayed payments. So you should be prepared for possible larger minimums due at that point.

Mortgages For Individual Homes and Rentals For 1 to 4 Units

The CARES Act ensures that no foreclosure can take place beginning March 18, 2020 for up to 60 days thereafter.

Mortgage Forbearance. This means that you can delay your monthly mortgage payment for up to 180 days. You must submit a request directly to your mortgage lender for this delay. Additionally, you may be able to extend this Forbearance by an additional 180 days. During the 180 to 360 days delay of mortgage payments, there will be no additional interest or penalties assessed. Reminder- this program only allows you to delay making your mortgage. After the 180 (or 360) days, you will be required to make your missing mortgage payments. At this time, it is not clear if you will be required to make additional payments to catch up to the delayed payments or if the delayed payments will be tacked onto the life of your loan. Your lender will be able to clarify this. Again, you must submit a request for Forbearance directly from your lender.

Mortgages for Multi-family Residential Rentals (Occupancy of 5 or More Units)

This program allows for up to 30 days delay of mortgage payment. Additionally, there are 2 more 30- day delays available to you through your lender. This Forbearance program requires you to apply directly with your lender. NOTE: These extension (delays of payment) require a 15-day request/approval prior to the next mortgage due date whether it is the initial 30-day request or the secondary additional extension. So, if you elect to have an additional extension after the initial approved 30-day extension, you must file for your next 30-day extension 15 days prior to the extension deadline.

During this Forbearance period, as a landlord, you cannot evict any renter. If you find you need to evict a tenant, you must wait 30 days after the forbearance program is completed. And you cannot charge any renter late fees or penalties for late rents paid.

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