



## News & Publications

### Freddie Mac and Fannie Mae Offer Immediate, Temporary Relief for Multifamily Rental Projects Impacted by COVID-19

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On March 23, 2020, the Federal Housing Finance Agency announced that Fannie Mae and Freddie Mac will offer mortgage forbearance for multifamily rental projects negatively affected by the Coronavirus/ COVID 19 ("COVID-19") pandemic. Fannie Mae has now rolled out its forbearance program, summarized here. Freddie Mac will introduce a substantially similar forbearance program shortly. These programs will allow owners of affected multifamily rental projects an opportunity to stabilize operations at projects suffering from rental payment delinquencies and other economic distress arising from the pandemic.

The highlights of the Fannie Mae forbearance program include:

- An agreement by the Fannie Mae lender to forbear from exercising rights and remedies for a period of up to three (3) months upon a showing of hardship, in exchange for an agreement by the project owner to suspend evictions of financially impacted tenants for the longer of ninety (90) days or the date the mortgage loan is brought current.
- An agreement by Fannie Mae to waive late charges during the forbearance period.
- A requirement that the project owner bring the mortgage loan current by the twelve (12) month anniversary of the forbearance agreement date or the date the project owner receives business income/business interruption/rent loss insurance proceeds,

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whichever is earlier.

- A requirement that the project owner allow affected tenants to repay missed rent payments over a twelve (12) month period, without late charges.

Freddie Mac's March 24, 2020 announcement of its COVID-19 forbearance program describes substantially similar terms: multifamily rental project owners can defer loan payments for 90 days upon a showing of hardship caused by the pandemic, in exchange for an agreement not to evict financially impacted tenants.

We intend to keep you updated as information becomes available regarding these forbearance programs. In the meantime, please do not hesitate to reach out if you have specific questions or concerns.