

New York DFS Issues Guidance on Recommended COVID-19 Mitigation Measures for Mortgage Servicers

March 19, 2020

On Thursday, March 19, 2020, the New York Department of Financial Services (DFS) issued [new guidance](#) to New York State Regulated and Exempt Mortgage Servicers regarding support for borrowers impacted by the novel coronavirus (COVID-19).

The guidance urges regulated and exempt mortgage servicers to alleviate the adverse impact on borrowers who can demonstrate that they are unable to make timely payments as a result of COVID-19. The guidance recommends “taking reasonable and prudent actions, [] subject to the requirements of any related guarantees or insurance policies,” to assist such borrowers.

Recommended alleviation actions include:

- Forbearing mortgage payments for 90 days from their due dates.
- Refraining from reporting late payments to credit rating agencies for 90 days.
- Offering mortgagors an additional 90-day grace period to complete trial loan modifications and ensuring that late payments during the COVID-19 pandemic do not affect their ability to obtain permanent loan modifications.
- Waiving late payment fees and any online payment fees for a period of 90 days.
- Postponing foreclosures and evictions for 90 days.
- Ensuring that mortgagors do not experience a disruption of service if the mortgage servicer closes its office, including making available other avenues for mortgagors to continue to manage their accounts and to make inquiries.
- Proactively reaching out to mortgagors via app announcements, text, email, or otherwise to explain the above-listed assistance being offered to mortgagors.

Interestingly, New York Governor Cuomo's announcement of the foregoing DFS guidance indicated that such mitigation measures by regulated and exempt mortgage servicers could be mandatory. However, the language of the DFS Guidance itself is not so stringent. For now, these measures appear to be only recommendations and not an express mandate from the DFS.

If you have any questions, please do not hesitate to contact the authors or visit our [COVID-19 Resource Center](#).

Related people

Jeffrey Barringer