

Dear Stewart Partners,

A week ago, it felt like we were in August, but today there's no doubt we are heading into fall with morning temperatures in the 50's. Notwithstanding the chill in the air, there's nothing better than fall in New England.

In this week's update, we want to provide you with payoff reminders for modified mortgages. Additionally, we want to share with you two recent news items we became aware of that involve the real estate and mortgage market. The first are new forbearance relief programs being offered by the FHA. The second is a legislative proposal at the federal level, which would offer mortgages with a 20-year term through Ginnie Mae. Read more about both these items below. Lastly, the URL for our COVID page has been updated, along with the pages that house our Quick Reference Guides. Check out the details below.

- *Be Aware: Forbearance Programs and Modified Mortgages - Two Payoffs May Be Needed*

Many borrowers facing mortgage payment issues were eligible to modify their mortgages through various programs. The most known program was HAMP, but there are others, including those offered during COVID. As part of the loan workout and modification or forbearance, many borrowers signed a partial claim note, which would be secured by a mortgage. A partial claim is an interest-free loan from HUD which allows the borrower to get caught up on overdue payments. One of the features of the partial claim mortgage is that it need not be paid off until the property is sold, or the first mortgage is paid in full. The partial claim debt is not included in the principal balance of the first mortgage and is treated as a distinct payoff. Because many borrowers are not making additional monthly payments, they may be unaware that this additional debt is a lien on the property that must be paid when the property is sold or refinanced, and that a separate payoff statement is required.

If the second mortgage is granted to HUD, HUD provides the following information on its website relative to payoff procedures:

Mortgagees must notify HUD when the first Mortgage is being paid in full or refinanced in order for HUD to provide a payoff figure on a Partial Claim. HUD's Loan Servicing Contractor must be contacted to request a payoff quote on the outstanding Partial Claim.

HUD's Loan Servicing Contractor:

Novad Management Consulting
Shepherd Mall
2401 NW 23rd Street Suite, 1A1
Oklahoma City, OK 73107

By Fax at: (800) 489-1733 or By email using: payoffs@novadconsulting.com

Any questions may be directed to the FHA Resource Center Toll-Free Telephone Number at (800) CALLFHA (225-5342) or by email to answers@hud.gov. Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at (800) 877-8339.

- *FHA Extends COVID Forbearance Period and Offers New Forbearance Options for Borrowers Facing Hardship due to the COVID-19 Pandemic*

Earlier this week HUD announced it was providing additional forbearance options for borrowers who have been affected by the COVID pandemic. FHA or Reverse Mortgage borrowers who had requested an extension during the period of July 1, 2021 through September 30, 2021 were originally granted a six-month forbearance period; that has now been extended an additional six months for a total of twelve months. The forbearance request period was scheduled to expire on September 30, 2021. However, HUD is now providing a new forbearance period beginning on October 1, 2021 and expiring at the end of the COVID-19 National Emergency. Borrowers who have not previously requested relief may ask for a forbearance of up to six months, with an additional six-month extension, but in no event will the forbearance period extend more than six months after the expiration of the national emergency, or September 30, 2022, whichever is later. To read HUD's Mortgagee Letter, click here:

<https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-24hsngml.pdf>

- *New Legislation Would Create a 20-Year Mortgage through Ginnie Mae*

A new bill sponsored by several senators would create a program offered through Ginnie Mae for a 20-year mortgage. The program would be designed for first-time and first-generation homebuyers. To read an article published by HousingWire on this new legislation, follow this link: <https://www.housingwire.com/articles/dems-propose-20-year-mortgage-for-first-gen-homebuyers/>

- *Stewart's Massachusetts COVID-19 Resource Page & Information Page – URL CHANGE*

Our easy reference page, which provides you quick access to all our Mid-Week updates, gap coverage affidavits, and bulletins that specifically relate to COVID and other emergency orders, has moved. Save this new URL as bookmark in your web browser for easy access: <https://www.stewart.com/en/state-pages/massachusetts-agents/underwriting-resources/covid-19.html>

Also, access our quick reference guides at the following links:

Statute of

Limitations: https://www.stewart.com/content/dam/stewart/Microsites/massachusetts/pdfs/ma_sol_guide_2021_6_22.pdf

Recording Fees:

https://www.stewart.com/content/dam/stewart/Microsites/massachusetts/pdfs/ma_county_fe_schedule_quick_reference_guide_9.21_20.pdf

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