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ATTORNEY GENERAL RAOUL CALLS ON FEDERAL GOVERNMENT TO PROTECT SENIORS' HOMES DURING COVID-19 PANDEMIC

Raoul, 25 AGs Urge HUD to Ensure that Senior Citizens with Reverse Mortgages Will Not Be at Risk of Foreclosure Due to COVID-19 Crisis

Chicago — Attorney General Kwame Raoul, as part of a bipartisan coalition of 26 attorneys general, today called on the U.S. Department of Housing and Urban Development (HUD) to take immediate action to protect senior citizens from homelessness as a result of the COVID-19 public health crisis. [In a letter to HUD Secretary Ben Carson](#), Raoul and the coalition recommend HUD take specific actions that can help ensure senior citizens with reverse mortgages do not lose their homes to foreclosure as result of the COVID-19 pandemic.

"We must take steps to ensure that seniors, one of the populations most vulnerable to COVID-19, are not at risk of losing their homes during this crisis," Raoul said. "I am urging HUD to take every measure to protect seniors who have reverse mortgages."

Reverse mortgages in the United States are typically home equity conversion mortgages (HECM) that are insured by HUD and do not require borrowers to make monthly mortgage payments. Instead, mortgage borrowers just pay recurring charges (such as property taxes and homeowner's insurance) and must keep their homes in good condition to avoid defaulting on their loans. Because HUD insures these loan products, the agency sets the rules that the servicers of these reverse mortgages must follow — enabling HUD to help homeowners who fall behind on these obligations. Action by HUD will be critical in providing housing stability for homeowners during the COVID-19 crisis.

Over the last two months, HUD has taken significant steps to limit reverse mortgage foreclosures as Americans battle COVID-19. While Raoul and the coalition applaud HUD's efforts to implement relief for reverse mortgage borrowers — as included in the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) — today's letter outlines additional steps that would bolster the effectiveness of HUD's actions and would help ensure that seniors with reverse mortgages do not lose their homes because of their inability to pay recurring charges during this crisis.

Raoul and the multistate coalition are asking HUD to:

- Require servicers to educate their customers about available relief, so that no senior citizen slips through the cracks and loses their home.
- Grant servicers additional flexibility to allow reverse mortgage borrowers who need property tax assistance to seek relief from local taxing authorities. Currently, reverse mortgage holders cannot take advantage of most local tax relief programs because such programs usually create a property lien that protects the local government's ability to collect any past-due tax revenues.
- Grant automatic renewals to homeowners with "at-risk" extensions. This existing HUD program prevents foreclosure for homeowners who have defaulted on their reverse mortgage, are over 80-years-old and have a critical medical condition. But unless HUD takes action, these borrowers will need an annual medical certification in order to extend that relief for another year.
- Allow servicers to add missed property tax and insurance payments to the end of a reverse mortgage loan balance, so that homeowners do not need to make up these missed payments as soon as a forbearance period ends.

- Prepare now to extend relief beyond 12 months, if needed, to protect senior homeowners affected by COVID-19.

Joining Attorney General Raoul in submitting the letter are the attorneys general of California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virginia and Washington.

For assistance with a reverse mortgage or other mortgage issues, consumers should file a complaint on the [Attorney General's website](#) or call Raoul's Homeowner Helpline at 1-866-544-7151.