



FHFA, Enterprises extend multifamily forbearance

The Federal Housing Finance Agency (FHFA) announced the Enterprises (Fannie Mae and Freddie Mac) have extended the COVID-19 forbearance offered to qualifying multifamily property owners through March 31, 2021. It was initially set to expire at the end of 2020.

“Due to the continued presence of COVID-19 in our communities and its disproportionate impact on renters, FHFA will extend forbearance multifamily offerings and tenant protections beyond the end of the year and through the first quarter of 2021,” FHFA Director Mark Calabria said in a release.

Property owners with Enterprise-backed multifamily mortgages who are experiencing COVID-related financial hardship can enter into a new or, if qualified, modified forbearance arrangement, but must agree to inform tenants in writing about tenant protections available during the property owner’s forbearance and repayment periods, and to not evict tenants solely for the nonpayment of rent while the property is in forbearance.

Tenant protections include giving tenants at least a 30-day notice to vacate; not charging tenants late fees or penalties for nonpayment of rent; and allowing tenants flexibility in the repayment of back rent over time, and not necessarily in a lump sum. Renters are not required to show COVID-19 related hardship to be eligible for these protections.

“We are still in the midst of the pandemic, and to continue to provide support for the multifamily market, we are providing additional time for borrowers to request a new or supplemental forbearance agreement,” Debby Jenkins, head of multifamily at Freddie Mac, said. “Our forbearance program is just one way that Freddie Mac Multifamily has worked to support multifamily operators and renters throughout COVID-19, and we will continue doing what we can to provide for stability, liquidity and affordability.”

