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# Client Bulletin

## CFPB Foreclosure Moratorium Set to End; Other Forbearance Programs Extended; New Mortgage Relief-Payment Reductions

### CFPB Moratorium

At the end of June, the U.S. Consumer Financial Protection Bureau (“CFPB”) issued a final rule extending its foreclosure moratorium through August 31, 2021 but allowing foreclosures to resume after that date under limited circumstances. It is likely that after the federal moratorium ends, foreclosures will start first with abandoned homes, homeowners who were already 120 days behind on their payments when the moratorium started and those homeowners who have simply not responded to repeated outreach from the lender or loan servicer. For those behind on their mortgage, the CFPB stipulates that loan servicers need to give at least three options to the homeowner to avoid losing their home in a foreclosure. For example: resume regular payments, move any missed or suspended payments to the end of the mortgage, modify the loan length, modify the interest rate, or sell the home. These new safeguards are designed to take place before foreclosure proceedings start and will be in effect August 31, 2021 through January 1, 2022 and are in addition to already existing rules. As long as lenders and loan servicers follow these new protocols, the CFPB will not block them from starting the foreclosure process. In addition to the new safeguards, CFPB is proposing a streamlined loan modification process. Currently, a borrower submits a myriad of documents including proof of income, tax returns and bank statements before the lender or loan servicer makes a decision. The streamlined process will allow lenders and loan servicers to offer some modification options even with an incomplete application. CFPB streamlining this process allows lenders and loan servicers to get homeowners into less burdensome payments quicker. The CFPB’s new rules provide a path for homeowners and lenders and loan servicers to arrange loan modifications to help people stay in their homes.

### Other Forbearance Programs

Currently there are about 2 million homeowners in some type of mortgage forbearance. Many of the current forbearance programs were set up in the CARES Act last year and apply to federally backed loans through agencies including Fannie Mae, Freddie Mac, Department of Housing and Urban Development and the Federal Housing Administration. Private lenders and loan servicers also set up their own forbearance programs. Fannie Mae, Freddie Mac, Department of Veterans Affairs, and the Department of Agriculture recently announced the expansion of their respective forbearance programs for up to 18 months for homeowners who requested enrollment in March and April of 2020. Now these programs will expire in September and October 2021.

### Payment Reductions

On Friday, July 23, in an effort to prevent mortgage foreclosures on loans backed (guaranteed) by the Department of Housing and Urban Development (“HUD”), the Department of Agriculture (“USDA”) and the Department of Veterans Affairs (“VA”), President Biden announced that there would be a 25% reduction in principal and interest payments. There is not yet information as to how the payment reduction program would be implemented, how long the 25% payment reduction would last, how it would relate to HUD’s current forbearance program, or if mortgages currently in default would be eligible for the 25% payment reduction.

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This bulletin provides general information and is not legal advice. Please contact us if you need legal advice.

If you have friends or associates whom you think would enjoy receiving a copy of this Client Bulletin, please feel free to forward it on. Thank you.

## Four Newly-Opened Business Grant Programs

On Tuesday, June 29, 2021, the Ohio Development Services Agency started accepting online applications at [businesshelp.ohio.gov](http://businesshelp.ohio.gov) for four new grant programs: Food and Beverage Establishments, Entertainment Venues, Lodging, and New Small Business (for small businesses opened in 2020).

The four programs will provide \$155,000,000 in grants - \$100,000,000 in Food and Beverage Establishment grants; \$20,000,000 in Entertainment Venue grants; \$25,000,000 in Lodging grants; and \$10,000,000 in New Small Business grants. The Food and Beverage Establishment grants and the Entertainment Venue grants are \$10,000, \$20,000 or \$30,000 determined by the business's loss of revenue in 2020. Lodging grants of \$10,000, \$20,000 or \$30,000 are determined by the decline in occupancy rates in 2020. New Small Business grants are \$10,000 to small businesses established between January 1, 2020 and December 31, 2020. All four grant programs, to ensure that the grants are spread throughout Ohio, set aside funds for businesses in each of Ohio's 88 counties (\$500,000 for Food and Beverage Establishment grants, \$150,000 for Entertainment Venue grants and \$100,000 for each of Lodging grants and New Small Business grants).

Program guidelines, terms and conditions, required documentation and applications are all available at [businesshelp.ohio.gov](http://businesshelp.ohio.gov).

## Pizza with a Purpose-Benefitting Preservation Parks



At the Hills Market Worthington, they love Ohio, food and our community! One way they show this is through their Charity Happy Hour program. On Wednesday, August 11, 2021, the Preservation Parks Foundation (PPF) will be the charity of the week. PPF will earn a \$1 donation for every pizza sold plus any tips the PPF volunteer bartenders receive. Hills Market will start the donation pool with a gift of \$50.

Eat, drink and support Preservation Parks on August 11. Hills Market is located at 7860 Olentangy River Road, Columbus, Ohio 43235. See you on the patio from 6-8 p.m.!

### *About the Foundation:*

The Preservation Parks Foundation was established in 2018 as a nonprofit organization dedicated to identifying and engaging our constituencies and to raising funds to enhance Preservation Parks of Delaware County. The Foundation will also help promote community collaborations and improve the awareness of the park district's many services and programs.

The Foundation is able to help expand and enhance PPDC programs and projects, such as the recently-opened Deer Haven Park Aviary, through fundraising events and tax-deductible contributions.

[www.preservationparksfoundation.org](http://www.preservationparksfoundation.org)