

Karima M. Woods, Commissioner

## DISB CONSUMER ALERT

### Foreclosure Moratorium on Residential Mortgages Expires June 30

The District of Columbia Department of Insurance, Securities and Banking (DISB) wants residents to be aware that the District's foreclosure moratorium on residential mortgages expires on June 30, 2022.

#### ***On JUNE 30, 2022, the moratorium on residential foreclosures will expire. What does this mean for homeowners?***

- Lenders cannot foreclose on homeowners until after June 30 if the property is occupied.
- When the moratorium ends, foreclosure proceedings will resume unless homeowners are under review for the Homeowner Assistance Fund (HAF) administered by the Department of Housing and Community Development (DHCD).
- If homeowners are under review for HAF, the moratorium is extended until September 30, 2022.
- Mortgage payments are still due unless homeowners have entered into loss mitigation agreements with their lenders.
- Be proactive and contact the **Foreclosure Prevention Hotline** or your servicer.

#### **HOW TO AVOID FORECLOSURE**

##### **Step 1: Contact the Foreclosure Prevention Hotline at 202-265-2255.**

Free HUD-approved housing counselors will assist District homeowners with preparing loss mitigation requests, contacting the mortgage servicer with the homeowner to determine what options are available, and exploring financial assistance programs available to District homeowners.

##### **Step 2: Communicate with your servicer.**

Take control by accepting calls from your mortgage servicer. Even better, call your mortgage servicer as soon as you know you can't make your monthly payment. The phone number is on your monthly bill. Tell your servicer why you can't make your monthly payment and ask the servicer for help avoiding foreclosure.

##### **Step 3: Be aware of scams.**

Scam artists try to take advantage of homeowners who get into trouble by charging a lot of money—even thousands of dollars—for false promises of help. You should not have to pay anyone to help you avoid foreclosure. The help you need is available at no cost to you from

your servicer, or through a HUD-approved housing counseling agency. Find a HUD-approved housing counseling agency at [consumerfinance.gov/find-a-housing-counselor](https://consumerfinance.gov/find-a-housing-counselor).

#### **Step 4: Apply for help.**

Your loan servicer must contact you, provide you with accurate information, and tell you about your loss mitigation options. Loss mitigation refers to the ways your servicer can work with you to avoid foreclosure. If you send in a complete application to your mortgage servicer early enough, your mortgage servicer must tell you the options you have to keep your home, or if it makes more sense, to leave your home.

Housing counselors have extensive experience helping people work on avoiding foreclosure. They can assist you with the complicated steps to understand your options and apply for help. Your mortgage servicer can't make a first notice or filing for foreclosure until you are more than 120 days behind on your payments. In addition, when you submit a complete application for mortgage help early enough, the mortgage servicer can't start the foreclosure process while you're being evaluated or if you are following through on the requirements of a loan modification.

Once HAF is fully implemented, apply for assistance on the DHCD website at [dhcd.dc.gov/node/1557026](https://dhcd.dc.gov/node/1557026).

Don't wait, get it done today. The earlier you complete the application, the more protections you get.

#### **REPORT FRAUD**

If you suspect someone who contacted you is a scammer, [file a complaint](#) with the DISB Enforcement and Consumer Protection Division at 202-727-8000 or visit [disb.dc.gov/page/consumer-services-division](https://disb.dc.gov/page/consumer-services-division).

If you, or someone you know, is experiencing mortgage problems, please contact Ben Arnold, DISB Foreclosure Prevention and Mediation Administrator, at 202-442-7765 or via email at [benjamin.arnold@dc.gov](mailto:benjamin.arnold@dc.gov). You may also visit [disb.dc.gov/page/foreclosure-prevention-program](https://disb.dc.gov/page/foreclosure-prevention-program).

#### **DISB Mission**

Our mission is three-fold: (1) cultivate a regulatory environment that protects consumers and attracts and retains financial services firms to the District; (2) empower and educate residents on financial matters; and (3) provide financing for District small businesses.