

[Banking and Finance Law Daily Wrap Up, MORTGAGES—CFPB must alert borrowers of mortgage relief options during pandemic, Senate Dems say, \(Sept. 8, 2020\)](#)

Banking and Finance Law Daily Wrap Up

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By Lauren Bikoff, MLS

The senators are asking the CFPB to clarify its plans for future action by September 16.

In a letter to Consumer Financial Protection Bureau Director Kathy Kraninger, Senate Democrats are requesting answers regarding the agency's failure to ensure that borrowers are aware of the mortgage relief options they are legally entitled to during the COVID-19 pandemic. The [letter](#) was signed by Sens. Elizabeth Warren (D-Mass), Sherrod Brown (D-Ohio), Chris Van Hollen (D-Md), Robert Menendez (D-NJ), and Jack Reed (D-RI).

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided borrowers with federally-backed mortgages the right to request a forbearance for up to one year by submitting a request to their mortgage servicer and affirming that they were experiencing financial hardship during the COVID-19 emergency. However, a recent survey found that 56 percent of borrowers that made less than \$50,000 were not familiar with the mortgage relief options. Likewise, a statistically significant higher amount of black and Hispanic borrowers were unaware of their mortgage relief options compared to their white counterparts.

"Your agency has the duty and the authority to take actions that ensure families can stay in their homes and prevent a series of irreversible foreclosures," the senators [wrote](#). "But you are failing to meet your responsibilities. Instead of taking proactive steps to make sure that borrowers are aware of their options for mortgage assistance when they need it, the Bureau has been coddling the largest banks and mortgage servicers while doing virtually nothing to help borrowers."

The letter requests information about how the Bureau plans to end its inaction and ensure that borrowers are made aware of available mortgage relief options and how to access them. In addition, the letter provides several steps the CFPB could take immediately to help borrowers, as well as several questions regarding its future plans.

The senators request a response from the agency by September 16.

LegislativeActivity: CFPB Covid19 Loans Mortgages