

Mortgage Servicer Communication: Strategies during the COVID-19 pandemic

By [Beth Spring](#) – APR 05, 2021

Mortgage Servicer Communication: Strategies during the COVID-19 pandemic

The COVID-19 pandemic is presenting one of the biggest challenges to the mortgage servicing industry since the Great Recession. There are an estimated 3 million delinquent loans, including more than 2 million loans in long-term forbearance. The Bureau is closely monitoring how servicers are handling the increased volume and both this recent [Supervision and Enforcement Bulletin](#) and our recently released [Mortgage Servicing Notice of Proposed Rulemaking](#) emphasize the importance of communication especially at a time when so many homeowners are distressed. The Bureau also encourages servicers to use all available tools to reach struggling homeowners.

Using Multiple Methods to Reach Consumers

Servicers are having to adapt their communication strategies based on the current crisis, rapidly changing demographics in the US, and enhanced technology. While previous techniques to reach homeowners such as mailing letters can still be effective, it also may help homeowners if servicers consider using data science where appropriate to understand consumer contact preferences, which are key to getting homeowners to engage. Many servicers now offer customer websites and online portals which did not exist 10 years ago. Further, as the volume of homeowners that need assistance continues to rise during this crisis, self-service platforms may be critically important as homeowners navigate their options as forbearance programs come to an end.

Servicers are trying several techniques to reach homeowners, help them understand their options, and enable them to take appropriate action for their situation. Some servicers are using non-traditional mail techniques. Other techniques servicers have deployed include:

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- Using multi-media channels that may better meet customer preferences, e.g., text, personalized emails, or mail, to the extent allowable under applicable law.
- Identifying borrowers' contact preferences;
- Developing and using self-service web-based tools and customer portals to assist homeowners in identifying available loan assistance options for their circumstances.
- Providing tailored communication, including videos and emails, that explain the specific options available to individual consumers, depending on who owns their loan (e.g., FHA, VA, Fannie Mae, or Freddie Mac).
- Sending key communications to homeowners by weighted mail or using FedEx or UPS can encourage the borrower to open their mail or envelope when they perhaps would have otherwise discarded it.
- Providing information in multiple languages to better assist Limited English Proficient (LEP) consumers, thereby providing in-language resources to serve a broader range of homeowners.

[Please see our recent statement on providing financial services to these consumers.](#)

The way in which homeowners are connecting with their servicers is changing. For example, the J.D. Power 2020 U.S. Primary Mortgage Servicer Satisfaction Study found early in the pandemic, most homeowners (62%) reported their financial institution's website as their first line of information. Customer portals, customer-based self-service mobile applications, and web interfaces are being widely used by homeowners. However not all servicers offer online resources or customer-interface portals. A recent survey by Fannie Mae (Mortgage Lender Sentiment Survey: Special Topics Report COVID-19 Mortgage Servicing Challenges) found that just 69% of their servicers have a website with mortgage relief resources. Online self-service options have the advantage of being able to scale up more easily than traditional call centers, providing servicers with additional flexibility to handle spikes in homeowner requests—62% of servicers reported their website has helped reduce call center volume. We also encourage servicers to refer consumers to our [interagency housing portal](#), which explains how forbearances programs work and provides an overview of many of the options available. The site also has resources available in multiple languages.

Why This is Important Now

While servicers deployed some of these techniques prior to the pandemic, delinquency rates had been low. Now, with millions of homeowners in forbearance, and complicated waterfalls of options to communicate, technology will be a vital tool in both handling the flow of homeowners who want forbearance, for those who request extensions, and for those at the end of a forbearance period. Some homeowners may prefer not to talk to their servicers and appreciate the self-

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service options. Others may prefer being able to reach out and talk with their servicer. Either way, getting the communication right, using technology and expanding resources in multiple languages, will be more important than ever for servicers to reach and engage with struggling homeowners.