

# Governor Gavin Newsom Announces Major Financial Relief Package: 90-Day Mortgage Payment Relief During COVID-19 Crisis

Published: Mar 25, 2020

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*Governor Newsom announces financial institutions will provide relief for vast majority of Californians*

*Californians economically impacted by COVID-19 may receive 90-day grace periods to make mortgage payments*

*Financial institutions agree not to negatively impact credit reports as a result of accepting payment relief*

SACRAMENTO – Governor Gavin Newsom today announced that financial institutions will provide major financial relief for millions of Californians suffering financially as a result of the COVID-19 outbreak.

“Millions of California families will be able to take a sigh of relief,” said Governor Newsom. “These new financial protections will provide relief to California families and serve as a model for the rest of the nation. I thank each of the financial institutions that will provide this relief to millions of Californians who have been hurt financially from COVID-19.”

Governor Newsom secured support from Citigroup, JPMorgan Chase, U.S. Bank, and Wells Fargo and nearly 200 state-chartered banks, credit unions, and servicers to protect homeowners and consumers.

Under the Governor’s proposal, Californians who are struggling with the COVID-19 crisis may be eligible for the following relief upon contacting their financial institution:

## **90-Day Grace Period for Mortgage Payments**

Financial institutions will offer, consistent with applicable guidelines, mortgage payment forbearances of up to 90 days to borrowers economically impacted by COVID-19. In addition, those institutions will:

- Provide borrowers a streamlined process to request a forbearance for COVID-19-related reasons, supported with available documentation;

- Confirm approval of and terms of forbearance program; and
- Provide borrowers the opportunity to request additional relief, as practicable, upon continued showing of hardship due to COVID-19.

### **No Negative Credit Impacts Resulting from Relief**

Financial institutions will not report derogatory tradelines (e.g., late payments) to credit reporting agencies, consistent with applicable guidelines, for borrowers taking advantage of COVID-19-related relief.

### **Moratorium on Initiating Foreclosure Sales or Evictions**

For at least 60 days, financial institutions will not initiate foreclosure sales or evictions, consistent with applicable guidelines.

### **Relief from Fees and Charges**

For at least 90 days, financial institutions will waive or refund at least the following for customers who have requested assistance:

- Mortgage-related late fees; and
- Other fees, including early CD withdrawals (subject to applicable federal regulations).

Loans held by a financial institution may be serviced by another company.

Please note that financial institutions and their servicers are experiencing high volumes of inquiries.

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