

**THE UNITED STATES VIRGIN ISLANDS**  
**OFFICE OF THE LIEUTENANT GOVERNOR**



**DIVISION OF**  
**BANKING, INSURANCE AND**  
**FINANCIAL REGULATION**

**FORBEARANCE AND MORATORIUM ON FORECLOSURE AND EVICTION**  
**FREQUENTLY ASKED QUESTIONS (FAQs)**

(As compiled by the Office of the Lieutenant Governor,  
Division of Banking, Insurance and Financial Regulation)

**Q. When was the CARES Act signed into law?**

A. March 27, 2020

**Q. What does the CARES Act stand for?**

A. Coronavirus Aid, Relief, and Economic Security Act

**Q. What is the CARES Act?**

A. An Act that provide emergency assistance and health care response for individuals, families, and businesses affected by the 2020 coronavirus pandemic.

**Q. What type of loan is eligible for forbearance under Title IV, sections 4022 and 4023 of the CARES Act?**

A. Federally owned and backed mortgage loan

**Q. What are Federally backed mortgage loans?**

A. Any loan which is secured by a first or subordinate lien on residential property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from 1-4 families and any loan other than temporary financing such as a construction loan that is secured by a first or subordinate lien on residential multifamily real property designed principally for the occupancy of 5 or more families, including any such secured loan, the proceeds of which are used to prepay or pay off an existing loan secured by the same property.

**Q. Examples of Federally owned or backed mortgage loan?**

A. U.S. Department of Housing and Urban Development (HUD); U.S. Department of Agriculture; USDA Direct; USDA Guaranteed; Federal Housing Administration (FHA) (Includes reverse mortgages); U.S. Department of Veterans Affairs (VA); Federal National Mortgage Association (Fannie Mae); and Federal Home Loan Mortgage Corporation (Freddie Mac)

**Q. Are servicers required to notify borrowers of their forbearance option?**

A. Yes, servicers are required to notify borrowers in writing of their forbearance option.

**Q. Can I receive a forbearance even if my loan is in a delinquency status?**

A. Yes, residential borrowers may request forbearance on a Federally backed mortgage loan, regardless of the delinquency status of the loan.

**Q. What is a residential borrower required to submit to obtain a forbearance?**

A. The borrower is required to submit a request to the servicer and affirm that the borrower is experiencing financial hardship during the COVID-19 emergency.

**Q. For what time period can a residential mortgage backed by a Federally backed mortgage loan obtain a forbearance?**

A. A borrower may obtain forbearance for **180 days**, plus up to another 180 days upon request by the prior to the expiration of the initial 180 days forbearance.

**Q. Can you obtain a forbearance for less than 180 days?**

A. Yes, if you do not want the full 180 days.

**Q. Can you charge any penalty under the CARES Act for late payment of mortgage?**

A. No, a servicer cannot charge any fees or penalties beyond regular (non-default) interest accrued on the borrower's mortgage account during the forbearance period.

**Q. Can borrowers with federally backed multifamily mortgage loan obtain forbearance?**

A. Yes, a borrower may, orally or in writing, request a **30-day** forbearance and up to two 30-day extensions as long as a request for an extension is made 15 days prior to the expiration of the current 30 day forbearance period and the mortgage was current on February 1, 2020.

**Q. Can a borrower who has a multi-family mortgage loan and receives a forbearance evict a tenant from the property?**

A. No, a borrower with a multi-family mortgage loan that receives a forbearance shall not evict or initiate the eviction.

**Q. Can a borrower who has a multi-family mortgage loan and receives a forbearance charge a tenant a late fee for late payment of rent?**

A. A borrower with a multi-family mortgage loan may not charge any late fees, penalties or other charges for nonpayment of rent to tenants during the forbearance period.

**Q. What is a covered dwelling under Section 4024 of the CARES Act?**

A. Covered dwelling is defined as (1) a dwelling that is occupied by tenant pursuant to a residential lease or without a lease or with a lease that is terminable under the state law and (2) is in or on a covered property.

**Q. What is a covered property under Section 4024 of the CARES Act?**

A. A covered property means any property that participates in a “covered housing program” as defined by the Violence Against Women Act or “rural housing voucher program under section 542 of the Housing Act of 1949 or has a federally backed mortgage loan or a federally backed multifamily mortgage loan.