



State of California
Office of the Attorney General

ROB BONTA
ATTORNEY GENERAL

February 2, 2022

Via Overnight Mail

Dear [Mortgage Servicing Company]:

We write to urge [Mortgage Servicing Company]'s immediate and full participation in the California Mortgage Relief Program (the "Program"), which will distribute \$1 billion in federal Homeowner Assistance Fund (HAF) funds to homeowners experiencing pandemic-related financial hardships.

The Program, which formally launched in early January, is designed to provide eligible California homeowners who have missed housing payments with the financial assistance they need to catch up and enter repayment on more secure footing. It will help distressed homeowners by covering their past due amounts, up to a total of \$80,000 per household, in the form of one-time grants disbursed directly to participating mortgage servicers. The Program is focused on serving the most disadvantaged households across the state and is open to qualifying applicants at or below 100% of their county's Area Medium Income. In short, the Program will give crucial assistance to California homeowners at risk of foreclosure, providing them with a path to keep their homes.

Critically, however, homeowners cannot access the funds provided by the Program unless their servicers participate in it. Many large, nationwide servicers are already participating in California's Program. But too many, including [Mortgage Servicing Company], have not yet confirmed their participation or committed the infrastructure and resources necessary to enable their full participation in the Program.

Time is of the essence. Without your participation, California homeowners with mortgage loans serviced by [Mortgage Servicing Company] and who would otherwise be eligible for HAF funds will be left without access to financial assistance just as certain COVID-19 protections are ending. Already, Program applicants are at risk of having their applications canceled because of their servicers' non-participation. Further delay to [Mortgage Servicing Company]'s participation in the Program will arbitrarily exclude its borrowers from potentially realizing the benefits of the \$1 billion in funding available. It will also undermine the Program's ability to help keep the state's most vulnerable borrowers and their families housed.

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We expect that [Mortgage Servicing Company] will do all that it can to assist homeowners and will comply with its ongoing obligations under federal and California law to inform borrowers of available foreclosure-prevention options. The Program offers a singular opportunity for mortgage servicers and eligible homeowners that provides an additional loss mitigation path and is financed by federal funds.

For individual consumers, the benefits of the assistance the Program offers are obvious and tangible. As certain pandemic-related foreclosure moratoria come to an end, too many California homeowners are still experiencing financial distress as a result of the ongoing COVID-19 crisis. Without access to direct aid, these homeowners are at risk of mortgage delinquency and default, foreclosure, and displacement. The Program is poised to offer these borrowers and their households real relief, and the stability and security they need to make a fresh start.

Investors and servicers, too, benefit from the Program. Mortgage assistance grants will enable borrowers to cure outstanding arrearages and to reinstate their mortgage loans. Grant amounts are based on the past due amounts homeowners owe, and approved Program grants will be sent directly to mortgage lenders and servicers, expediting the transfer of these funds and quickly returning homeowners to repayment.

We urge [Mortgage Servicing Company] to immediately complete all necessary steps to participate in the California Mortgage Relief Program. We also encourage [Mortgage Servicing Company] to notify your California borrowers of the Program and to share information on how they can submit applications for assistance through the Program's website, www.camortgagerelief.org.

We appreciate your attention to this matter and ask that you provide an update on the status of [Mortgage Servicing Company]'s participation in the California Mortgage Relief Program by no later than February 16, 2022.

Sincerely,



ROB BONTA
Attorney General