



STATE OF CALIFORNIA

Department of Financial Protection and Innovation

GOVERNOR **Gavin Newsom** • COMMISSIONER **Clothilde V. Hewlett**

For Immediate Release

January 6, 2022

Contact:

Mark Leyes

916-576-4984

Maria Luisa Cesar

213-328-9644

DFPI Efforts Spur Participation in Mortgage Relief Program Funded by U.S. Treasury

State financial regulator reporting requirement and notices to licensees to participate in federal program yields results that better protect homeowners

SACRAMENTO – Following the announcement on Dec. 20 from Gov. Gavin Newsom of the approval by the U.S. Treasury to provide \$1 billion in mortgage relief grants to homeowners, the California Department of Financial Protection and Innovation (DFPI) highlights efforts that spurred participation in the program and helped forge a national model to protect homeowners impacted by the COVID-19 pandemic.

Early in the pandemic, the DFPI issued a historic reporting requirement for residential mortgage servicing licensees to report how they would be protecting homeowners through increased mortgage relief staffing, mitigation efforts such as repayment plans, and state and federal mortgage relief funding.

All 362 licensees responded, providing a 100 percent response rate from servicers managing a total of more than 4.6 million mortgage loans amounting to \$1.4 trillion. Eighty-six percent of licensees reported by December 2021 that they have appropriate policies and procedures in place to protect homeowners, with 72 percent noting that they had added sufficient staffing to help homeowners avoid foreclosure.

“No homeowner should be homeless due to the COVID-19 pandemic,” said DFPI Commissioner Clothilde V. Hewlett. “I am so proud of our efforts, which serve as a national model for how regulators can work with licensees and other state partners to create tangible relief for homeowners and help ensure that our economy rebounds in a way that is equitable for all Californians.”

Due to the efforts of DFPI, servicer participation in the California Mortgage Relief Program, which is being administered by the California Housing Finance Authority (CalHFA) Homeowner Relief Corporation, is at 83 percent capacity. The California Mortgage Relief Program is part of California’s Housing is Key program and is designed to work in tandem with several existing state and federal initiatives and programs to support residents facing difficulties as a result of the COVID-19 pandemic.

“For those who haven’t signed up to participate in the California Mortgage Relief Program, we want to encourage you to join us and make history,” Commissioner Hewlett said during a press conference this week to announce the program. “Your efforts will ensure that every California homeowner eligible for mortgage relief will have the chance to draw down those funds — to save their home and to keep their dreams alive. If you haven’t signed up yet, we strongly encourage you to do so.”

The DFPI and CalHFA continue to work with servicers to ensure full participation in the historic program, which represents the largest mortgage relief package in the nation.

In April, the DFPI issued a notice to mortgage servicer licensees, reminding them of requirements under the COVID-19 Small Landlord and Homeowner Relief Act of 2020. DFPI encouraged mortgage lenders and servicers to work with affected customers and communities to avoid foreclosures in this guidance. The Department noted in its guidance to licensees that “mortgage servicers may offer customers payment accommodations, such as payment deferrals or due date extensions, loan modifications to modify the rate and term of the mortgage, or loss mitigation options described in HUD/FHA’s updated guidance.”

In addition to regulating mortgage lenders and servicers, the DFPI licenses and regulates financial products and services, including state-chartered banks and credit unions, finance lenders and brokers, commodities and investment advisers, money transmitters, the offer and sale of securities and franchises, broker-dealers, nonbank installment lenders, payday lenders, student loan servicers, escrow companies, Property Assessed Clean Energy (PACE) program administrators, debt collectors, rent-to-own contractors, credit repair and consumer credit reporting companies, debt-relief companies, and more.

###