Sarah Galvin:

Hi, thanks for joining us today for this training on Legal Challenges in Emergencies, Helping Older Adults Facing Public Emergencies and the Aftermath of Natural Disasters. I'm Sarah Galvin and I'm excited to be joined by our presenters, Alys Cohen of the National Consumer Law Center and Kathy Grunewald of Legal Services of North Florida. We have just a few logistics to cover before properly introducing our presenters and our webinar. Next slide.

Sarah Galvin:

This webinar is being recorded. The recording will be available within a few days on our website NCLER@acl.gov. If you would like to download slides for the webinar check the handouts box on your screen. There you will see a PDF of the slides and materials. Closed captioning is available. Please see the chat box for a link that will allow you to view the captions in a separate window.

Sarah Galvin:

The chapter summary materials that accompany this webinar will be available to you in a post webinar email, along with the recording. There will be time for questions at the end of the webinar. Everyone is on mute, so if you would like to ask a question, please type it into the questions box during the webinar and we'll try to address as many as we can. Finally, views expressed in this presentation are not necessarily those of the Administration for Community Living. Any answers to questions are the opinion of our presenters and not the administration for community living.

Sarah Galvin:

Next slide. This webinar is produced by the National Center on Law and Elder Rights. We know that many of you are shifting your work and focus to support older adults in the COVID-19 pandemic. Today's webinar will address consumer and housing issues related to disasters and emergencies and our presenters will draw parallels to COVID-19 health emergency and provide updates where relevant. Things are changing daily and NCLER will be providing training and resources on service delivery that will keep you and your clients safe. Next week, we'll be hosting a webinar with presenters from Justice and Aging, Pro Bono Net and the Administration for Community Living on strategies for providing remote legal services to older adults. You can register for that webinar and get more information on our website or take a look at the chat box for a link to the registration. We're also available for consultations related to these issues as well.

Sarah Galvin:

All right. Let's jump into our presentation and introduce our presenters. Alys Cohen is a staff attorney at the National Consumer Law Center's Washington office where she advocates before congress and federal agencies regarding mortgage lending for closure prevention and other low-income home ownership issues. Alys also trains and consults with attorneys, organizers, mediators, state advocates and housing counselors nationwide on home lending matters. She's been active in areas including the development of the federal HAMP program, FHA lending and loss mitigation, federal servicing regulation, predatory origination and more. She also directs NCLC's disaster response work.

Sarah Galvin:

Kathy Grunewald is the disaster coordinator attorney at Legal Services in North Florida where she is responsible for developing activities to improve information sharing between legal and nonlegal disaster response communities and engaging in outreach with legal and nonlegal partners in disaster response.

Prior to that, Kathy was an attorney with Florida Legal Services, where she was counsel on cases involving poverty law issues and resulting in systemic changes to government policies and programs. Thank you so much for being here and sharing your expertise, Alys and Kathy. I'll turn it over to you.

Alys Cohen:

Great. I think Kathy was going to go over the key lessons. Did you want to start Kathy?

Kathy Grunewald:

Yeah, I'll do that quickly. Today, what we're going to talk about after a disaster or emergency older adults may be affected by scams or frauds. Homeowners insurance distribution presents challenges to consumers. Homeowners in a disaster or in an emergency situation must work with their mortgage servicer to ensure short-term and longterm payment arrangements are made. Consumers and their advocates should seek support from legal assistance organizations after a disaster or an emergency.

Alys Cohen:

We obviously put this webinar together before the pandemic started. We wanted to start by just putting some things on the radar that are specific to this particular type of natural disaster and the current one and then we'll try to reference these issues as they come up during the presentation.

Alys Cohen:

The first thing I wanted to flag is the president has made a declaration that we have a national emergency, but that's a different type of declaration from presidentially declared natural disaster. As a result, some of the protections we'll be talking about today are only triggered by that very specific kind of declaration. On the other hand, most of what people are experiencing in real life and most of the challenges and solutions are still applicable. In terms of legislation, there's going to be another package making its way through congress. That bill is currently blank and many of us are working on what the content will be. We don't really have any idea whether the forbearances and the foreclosure moratoria and other things that we're drafting will make it in and we'll make sure to keep everybody in the loop as things develop.

Alys Cohen:

In terms of what you can access today and we'll talk about these options more in the presentation, your regular hardships that people are always able to access when they're facing a financial or medical hardship are available today and there are some newly updated policies that Fannie Mae and Freddie Mac and FHA put out that will specifically apply in this disaster. There is a 60-day foreclosure moratorium for all FHA loans and Fannie Mae and Freddie Mac loans. In the accompanying chapter summary, there's information on how to find out if a loan is an FHA loan or a Fannie or a Freddie loan. There are also forbearance options that are available that have been reaffirmed in the context of the COVID-19 pandemic. As you're going to hear from Kathy, there's always an opportunity for fraud when you've got an emergency and this one will be no different, so please be on the lookout for that. When you're working with your clients, obviously people will have a lot of issues with paying their bills and also with credit reporting. There is a huge movement underway to try to get a ban on negative reporting during this period and if that goes through that would be especially helpful to many of our clients. There are also specific credit reporting protections that apply when you get a forbearance that we can share later in the presentation. Thank you.

Kathy Grunewald:

All right. This is Kathy again. I'm going to talk to you about disaster fraud and focusing mainly on the fraud that occurs after a national disaster, but referencing the COVID-19 fraud that we're already beginning to see when it's appropriate.

Kathy Grunewald:

Disaster fraud is just what it sounds like. Illicit, illegal, unscrupulous activities that occur after a disaster and are designed to defraud people, especially those who are vulnerable because of age or disability or because they live in remote locations without access to a lot of services. Of course, after a disaster and in the middle of a disaster like are now, they're already stressed by their circumstances and in what can only be described as a desperate need of assistance. Some of the common things that we have encountered over the past years working on disaster recovery include contractor scams, insurance fraud, problems with assignment of benefits, price gouging, forgery, door to door sales and fake charities.

Kathy Grunewald:

We're already seeing, in reference to COVID-19 and many of you probably read about it, but that's price gouging for some of the supplies that are limited. As people go to having to shelter in place and have to rely on other folks to bring them supplies, food or medicine or other products, there are people who will be looking to profit on that by what we think selling products that they don't have or out of stock and not delivering those products. I believe, seeing this week people pedaling cures or products that claim to keep people from getting the virus. Recently too, we know in the last couple of days that the federal government is planning on sending out stimulus checks to taxpayers and we're already hearing reports of scammers and con artists looking to exploit the opportunity. One of the best things that we can do advocating for our clients is reach out to our clients in the best way possible to alert them to these possibilities and educate them about the scams that we're hearing about. We've seen a lot.

Kathy Grunewald:

Every type of contractor scam that I'm going to talk about today we've seen here in Florida. I'm sure that the folks who are dealing with the recovery all over the state of different natural disasters have seen those. That includes the low-ball bid where you get a price that sounds too good to be true, but you think it ... you hope that it might be true. Folks that insist on a cash payment just to convince people if they could just get that little bit of cash they can get the work started quicker and never start the work. Asking people to sign what they pretend are valid reason, a contract with blanks in it. Contractors that take the down payment, finish only part of the work or don't do any of the work, or do really shoddy work and use cheap materials. And then another thing we'll talk about later is a homeowner who signs over their insurance benefits to a contractor in an assignment of benefits. As we're in that recovery stage many, many people are still living in houses that are impacted and that are in bad shape. It's a perfect opportunity for people to take advantage of their desperation.

Kathy Grunewald:

Another problem that's ... or not an issue, that's not illegal, are contractor's claims. They can be misused. Contractor's claim is a claim that's made against a property by a contractor who has worked on the property or it might be a subcontractor who has worked on the property or it might be somebody who's applied material and they've put the lien on the property to make sure that they are going to be paid in full. The problem is not taking that lien off. Those liens can last for a year at least unless the contractor files a suit to get the money they claim that they are owed or the owner can also file a notice of contest during that one-year period and then the contractor has 60 days to file a suit. If they don't, then the lien becomes invalid. The best thing to do on these contractor liens, because what happens is they can enforce their lien by trying to look to the property for payment of the lien and they may not be owed anything.

Kathy Grunewald:

The best thing that folks can do is to pay attention, counsel people to not pay in full until all the work is completed and counsel people to make sure that they get it released from the contractor and the subcontractors before the final payment is made. There are other remedies, as you can see on the screen by filing a complaint with government authority in your state that licenses contractors. In Florida, that would be the Department of Business and Professional Regulation, also the Attorney General has a hotline for scams. The Florida Department of Agriculture and Consumer Services is the state's consumer compliant clearing house or the contractor's action may be a violation of the Florida deceptive Unfair Trade Practices Act for which their individual remedies and enhanced penalties for violations involving senior citizens or persons who have a disability, military service member or their spouses or dependent child.

Kathy Grunewald:

In these cases, the best course of action for our clients is fierce and frequent community education where we find a way to reach the difficult to reach population that we may serve and we talk to them about checking the license, but making one phone call to the Department of Business and Professional Regulation or whatever entity in your state regulates contractors by not signing blank checks, by not paying in cash and before you sign anything asking an attorney or even a recommended ... or someone that is a trusted advisor for a second opinion on advice on whether or not that's something you should sign when you're entering into a contract.

Kathy Grunewald:

Assignment of Benefits is an agreement, once signed that transfers a person's insurance rights or benefits to a third party. The contractor then can file the claim, make repair decisions, collect insurance benefits, without the involvement of a homeowner. This is very appealing to people because of the stress and anxiety and you just don't know how to deal with a contractor. It can be a solution and a good one if your contractor is trustworthy. But, if not, it can lead to some difficult problems for the homeowner. A consumer should keep in mind that signing that AOB or assignment of benefits gives rights and benefits of their insurance policy to the contractor. The insurance company, depending on the terms of your contract may only be able to communicate with the contractor and the owner then loses all rights to the claim. The contractor may be able to even endorse checks on behalf of the homeowner or file a suit against the insurance company that a homeowner may not even be ... have any idea it is going on.

Kathy Grunewald:

In Florida, assignments of benefits requires certain language and I'm sure that's the case in most other states. You can see there it has to be in a certain font, has to include certain items in it. There's a provision in Florida to cancel those contracts. There are three cancellation opportunities for someone. Which is to rescind that assignment of benefits within 14 days following execution by notifying the contractor or you can rescind it within 30 days if the assignment of benefits does not have a commencement date when they'll start work and the contractor hasn't begun work. Or you can rescind it if the contractor has not substantially performed at least 30 days following the commencement date. The assignment of benefit remedies besides rescinding or canceling within the seven days of executing the agreement or within the 30 days. If the contractor does not rescind the assignment of benefits, then the only other action for the homeowner is to take legal action and file suit against the contractor.

Kathy Grunewald:

Finish up my part by talking about door-to-door sales and price gouging. Any door-to-door sales can be fraught with opportunities for abuse and definitely door-to-door sales increase in the aftermath of a disaster. We may see this now as we work through COVID-19. The schemes that I talked about earlier to get folks stimulus checks or selling products that claim to prevent you from getting the virus or selling products think might get you well, cure you if you happen to get sick. If you do purchase a product or a service in a door-to-door sale and you have second thoughts or your client comes to you and says, "I don't want this anymore," and it costs more than $25, you have the right to cancel the sale or your client has the right to cancel the sale within three days. The seller has to get notice and then the seller has 10 days to refund the money, return any documents you signed and any goods you might've traded in. They can't keep any of the money.

Kathy Grunewald:

If the seller has left a product with a buyer, he has 40 days to pick up the product. If he doesn't then the buyer keeps it. If the seller did any work during that cancellation period and the contract was properly canceled then they're not entitled to any compensation for their work. There are legal remedies if someone violates the door-to-door sales and the cooling off three-day period and that includes declaratory relief, injunctive relief, damages to be determined by the court and attorney's fees and court costs.

Kathy Grunewald:

Price gouging is selling essential commodities during a state of emergency that greatly exceeds the average price for that commodity during the 30 days before the declaration of the state of emergency. In Florida, after a natural disaster, that includes commodities like food and ice and gas and lumbar. Now, Florida has activated the price gouging hotline for COVID-19 and rather than covering the lumbar and gas and food it now covers protective masks, sanitizing and disinfecting supplies, like wipes and Purell and cleaning supplies, surface cleaning supplies, commercial cleaning supplies and personal protective equipment. A lot of people think if the price goes up it's automatically price gouging, but it's not considered price gouging if the seller can show an increase in the price of their supplies or the market trends. Usually, the declaration lasts 60 days, unless it's renewed and the state of emergency has continued. In Florida, the remedy and most other states the remedy is reporting to your attorney general's office and they investigate the price gouging and they have the opportunity to impose either civil penalties, but can also enforce some criminal penalties. Alys is going to now talk about other sorts of disaster recovery.

Alys Cohen:

Thanks so much Kathy. My focus is going to be on challenges that people face when they have a mortgage, when they own their home and they have a mortgage and/or they have homeowner's insurance. We really think about the road to recovery as having three dimensions. One, the federal assistance and state and local assistance that you can get. Two, the insurance issues and three, the mortgage. I'm going to spend most of my time talking about issues about the mortgage because if you don't keep your mortgage paid it's the quickest ticket to losing your home, which is obviously a very destabilizing thing to have happen. But I wanted to start by briefly talking about a couple of other topics.

Alys Cohen:

This slide just looks at some of the types of assistance that are available just in the side for the current COVID-19 pandemic. Obviously, some of these are not going to be available in the traditional sense, but is my sense that there will be assistance available for homeowners and we'll just have to see how that unrolls. I think we'll be probably ... At the state level, I think the federal money will end up coming down to the states. In a regular natural disaster the most important thing for a homeowner to do is register with FEMA immediately because that's your ticket to temporary housing and to getting your expenses covered for lodging and you can also get grants. The main thing you can get via FEMA is grants. However, you can also register with the Small Business Administration to get a loan and because they're low in trust they're a very good deal and you don't have to be a small business to get these loans, they just happen to run through the Small Business Administration.

Alys Cohen:

In addition, obviously there are always state and local programs and so it's helpful to check out all the options and make sure your clients have access to everything. The bullets at the bottom are really the four kinds of help that you can provide to a client. You can help them collect all the information about what's available to them and then pull together whatever they need to be able to access that and then to help them determine their eligibility and then help them do the applications what's very common is that many people, especially with FEMA will also need to do appeals. Next slide please.

Alys Cohen:

The other aspect of the road to recovery that I wanted to talk about some is insurance which ties in with physical repair of the dwelling. There are a lot of questions to figure out. In order to know if the damage is covered, first it's important to figure out what kind of homeowner's insurance policy the person has. Is it force-placed insurance policy because their policy lapsed or is it just a voluntary policy that they signed up for initially. As we saw also recently in Puerto Rico, depending on the kind of disaster it is, it may or may not be covered by the existing homeowner's policy. There may have needed to be a separate policy. There may be an exclusion. You want to determine the coverage and then you want to do an inventory of the home to figure out what's happening, help the clients file their claim. There are private claim adjusters who come from the insurance company, but sometimes there are other, more freelance public adjusters, but they are highly unregulated and then overpriced, so that's sort of an issue that's similar to the ones Kathy was just talking about. The company will make a determination about how much money the client's getting. Next slide please.

Alys Cohen:

For this indemnification determination, the client will find out the amount of money they're getting and then how they will get paid, usually through their mortgage company, through their mortgage servicer. Often they won't get all the money upfront. They may get a little bit upfront, but there may be some conditions for that. They'll find out whether it's going to cover a lot of the damage or just some of the damage. At that point, it's essential where the other sources of gap funding may come in such as the state programs and the small business administration and the FEMA grant. And then there are issues about insurance distribution which are on the next slide, please.

Alys Cohen:

For the insurance distribution, there are going to be a lot of questions about whether the servicer has to check and they need you to sign it and who signs it first and whether you need to have a contractor before you will get any money from the insurance company. That generally tends to be the case. As Kathy was just saying, there's a lot of fraud after a disaster and that's going to be true here too, like with COVID-19. Not these kinds of contractors, but any help that people need they're vulnerable to abuse. With a natural disaster, people are going to have a hard time finding a contractor to do the work who's both affordable and available and not a fraud. That's going to be very challenging and they need to do it while usually living somewhere else or living in only a portion of their home. They're going to have to figure out if the repairs are feasible and figure out whether they can get that insurance money applied to their home.

Alys Cohen:

We'll talk a little bit later more about this, but if you don't have insurance that covers the full repair the bank may just apply the money to the loan balance and you won't have the money for rebuilding. That's why you're going to also want to look at the gap funding to make sure that you could put all that together and the money doesn't go towards the loan balance. The last point's just about inspection. We can go on. There's a point here at the bottom about the tip sheet for helping older homeowners access their insurance.

Alys Cohen:

Now we're going to talk about mortgage issues. As with the FEMA list of applying right afterwards, right after there's been a disaster and the home has been damaged or even if it hasn't been, if the person is having a hard time paying their bills, the first thing to do is notify the mortgage servicer that the person's having a hardship and provide good contact information so they can stay in touch because that makes it most likely that they won't have a foreclosure started on them when they're really trying to work out a plan with their mortgage servicer. The next thing they need to do is figure out what kind of loan they have, who's the owner of the loan or the insurer of the loan. Is it a Fannie Mae or Freddie Mac loan? Is it an FHA loan, et cetera, because that affects the rules. Another question that will affect the opportunities this person will have is whether they were on-time on their mortgage when the disaster occurred or were they already delinquent. Obviously, if you're on time, then you'll have more options after the disaster. If there's home equity, the person could potentially refinance to get more funds to pay for whatever they need.

Alys Cohen:

If they don't have home equity of they're what's called underwater, if they owe more than their house is worth, then they're really going to be quite dependent on these funds as the only source of rebuilding. And then obviously the last question is going to be how much money the person has now. Do they basically have the same amount money as they did before the disaster or has it gone down? Can they make their current mortgage payment or are they going to be looking for a smaller mortgage payment? Next slide, please.

Alys Cohen:

This slide is here because even though it's about insurance it's related to this question about who exactly owns the loan and what exactly are their rules. The general rule that's in the typical Fannie Mae or Freddie Mac loan and that's also in a lot of other insurers contracts is that the insurance will be applied to restoration of the property, as long as the restoration and repair are "economically feasible" and the lender's "security is not lessened." You need both of those. Economically feasible means that the insurance proceeds will cover whatever needs to happen and even though it's not defined that's generally how it's been interpreted, that the repairs will not exceed the insurance proceeds. You also want to make sure that the security isn't lessened, that the house will be worth at least as much as it was prior to the loss. Next slide please.

Alys Cohen:

If the proceeds are being used for this restoration and repair, it's always going to be a series of payments as the work is completed. To some extent, it is an advantage the homeowner because it allows them to use that as leverage to get the contractor to finish the work. On the other hand, it means you keep having to bug the servicer to get them to release the funds. Funds also are not likely to be released if there's a problem with the contractor with breach of contract or other things and further the person has to otherwise keep up on their mortgage in order to keep getting that insurance disbursement. If they default for some other reason outside of the insurance, then they're not going to be able to keep getting the insurance funds. That's why making an arrangement on the mortgage is essential for rebuilding. Next slide please.

Alys Cohen:

After a disaster, this is kind of a checklist of options that will be available to someone and questions that you need to ask. First, what kind of loan. Like we said before, FHA, Fannie Mae, private label and there's information in the chapter summary about how to figure that out. Is there a foreclosure moratorium that applies? For example, there's a 60-day foreclosure moratorium for FHA loans and Fannie and Freddie loans. I've heard anecdotally that private label companies are also offering a foreclosure moratorium, so that's worth exploring. I also expect that that 60-day moratorium is going to get longer. An eviction suspension in the context of home ownership is for people who were foreclosed on right before the disaster and right now there's also an eviction suspension so that people won't be put on the street and have to find a new place to live right now.

Alys Cohen:

We don't know about credit reporting, but in general after a ... for now, we don't know yet what the policy is going to be, but after a disaster generally there's a credit reporting suspension so that no negative information is reported to the credit bureaus if you're talking to your company. We'll look more at some of those details later on. There are also questions about whether late charges will be charged and those also relate to whether or not you're in touch with your mortgage company. And then, there's the question of whether you can get a payment break, a forbearance and whether you need new payment arrangements overall through mitigation and a loan modification. Next please.

Alys Cohen:

I just wanted to take a minute to mention mortgage servicers. They're the companies to whom people pay their mortgage payments. When you take out your mortgage you work with the lender and the lender is not the same thing as the servicer. Sometimes, you're still making payments to that same company, but usually that company sold the loan to somebody else even if they're still taking your payments. Sometimes they still hold it in portfolio, but that's rare. Generally speaking, who you made your payments to is different from who you originally got the loan from and that's the servicer. Even when you're making payments to that servicer, they don't own the loan. There's some industrial or trust that owns the loan and the servicer is essentially the contractor for that trust that owns the loan. What does that mean? It means that servicers make their money just for taking your payments, but they're not always very good at it.

Alys Cohen:

Some of the problems that we've seen include slowly taking applications, asking for duplicate of information, not converting you from a temporary form of assistance to a permanent form of assistance, asking for payment up front, just to be able to assist you, telling you you have to be in default in order to get assistance, even though a lot of assistance is available for people who are at imminent risk of default, using incorrect information to calculate whether you're eligible or in the final documents that you receive with this loan modification inserting language that says that you're waiving your legal rights, which in general can be a problem for people who want to pursue their legal rights later if something happens. Next slide please.

Alys Cohen:

I'm going to speed up here a little. We've talked about some of this before. Essentially first you need to figure out who owns the loan or who makes the rules for the loan because they'll be different ... the rules will be different depending on that. If it's a private label loan on the very last line, it says PSA, that means pooling and service agreement. That will determine what the rules of the road are. Next slide please.

Alys Cohen:

I'm going to go through the next few slides quickly, but I wanted to include this information for you because it tells you what the rules are for each kind of loan and they're similar. Essentially for credit reporting suspension, what we mean by that is are the companies reporting that you can't make your payments if you haven't made your payments through the credit bureaus and is that a ding on your credit score and your credit history. The Freddie Mac policy is similar to the others. No negative credit reporting if you are in a forbearance or repayment or a trial period plan. What that means is if you're not in touch with the company and you're not in some arrangement, then they will report you as delinquent. In order to get this protection, the homeowner needs to communicate with the company and makes some sort of payment arrangement not so just so that they're not late, but to protect their credit. Next slide, please.

Alys Cohen:

During the forbearance, you normally would be charged late fees because you're late on your payments, but if you've made an arrangement to be in a forbearance, they will suspend the late charges and these are similar for all of these different types of loans. But if someone is in touch with their company, not only will they have credit reporting problems, but they will have more fees being tacked onto their loan and then later when they get in touch all of those fees are likely to be added to the loan and recapitalized. Next slide please.

Alys Cohen:

This is a slide about forbearance policies. I just want to flag that there were two kinds of forbearance policies that allow people to pause their mortgage payments for a period of time. There's regular hardship forbearance and there's disaster forbearance. Here we're talking about what the specific options are for people who have disaster relief, but they do differ slightly depending on the circumstances. As I said before FHA and Fannie and Freddie have already announced that hardship forbearances are available for people, for up to 12 months, you can start by asking for a six month. That's true for all of these different avenues for getting a loan. One thing I want to mention is in a natural disaster there is often a 90 day automatic forbearance that's applied to everyone because it's so hard and so chaotic for people to get through. We're not seeing that in the COVID-19 pandemic. Next slide please.

Alys Cohen:

After the initial period when the person is not making payments there's the question of what they can get after that. Loss mitigation is the term for the range of options that are available to people to mitigate their loss, to lessen their loss. The thing that most people are trying to get is a loan modification. The GSE's, that's a term that stands for Fannie Mae and Freddie Mac, the government sponsored enterprises. The loan modification that most recently has been adopted by Fannie Mae and Freddie Mac is called the flex modification. This slide places that in the context of other forms of assistance available from a repayment plan where after the few months of not paying you add money onto your payment each month and your payment goes up to options where you're getting rid of the house through either a regular foreclosure or you can opt for these easier options, a short sale, and a deed in lieu. We don't have time to go into all of that today.

Alys Cohen:

But what I wanted to flag for you is the flex modification. There are two ways to get it if you look at the bottom slide, the bottom bullet. The borrower can ask for a flex modification, but also the servicer can evaluate someone for the flex modification after a certain period of delinquency and just mail them an offer. The key thing about the flex modification is it lowers your payment based on a percentage of your current payment. It's not keyed to your income, which may mean that for low-income clients it's less affordable. Next slide please.

Alys Cohen:

FHA has a variety of options. This is mostly about the moratoria. Like I said before, there's this automatic foreclosure moratorium for 90 days and then people can apply for extensions. Next slide please. These are loss mitigation options available to FHA borrowers and there's a lot of information here. You can look at it later, but what you need to know is after a disaster in particular there are special options that are available. These slides were shrunk down so that there wouldn't be as much information on them. Let me just flag this for you. Fannie Mae, Freddie Mac, FHA, have disaster options and not disaster options. The flex mod that I was just talking about is the regular Fannie Mae and Freddie Mac option. For FHA, there's FHA HAMP, which is the regular disaster option ... which is, sorry, the regular loss mitigation option. After a disaster, there are additional options, which are not available most of the time.

Alys Cohen:

I don't think we know whether they will be available after the COVID-19 pandemic, so far they are not, but there are additional, more affordable ways to rearrange your loan payments that are only available after a disaster. What this slide is showing you is there's a disaster loan modification that FHA has, which allows you to just keep your same payment essentially and extend it out further and lower your payment. If the total amount that you owe is still too much, then they can do a partial claim, which is essentially like a silent second lien where they take some of the money that you owe and they put it at the end of the loan, they don't charge any interest and you don't owe it until the house is sold. Next slide please.

Alys Cohen:

We don't spend as much time talking about VA and USDA loans, but people have clients with them, so we want to make sure you know that they do have policies. This is just a sampling of policies that they had after the hurricane in Puerto Rico. Next slide please.

Alys Cohen:

One of the biggest challenges that we see with homeowners is homeowners with reverse mortgages. A reverse mortgage is a loan where the person receives money rather than pays money and then it all gets paid back after the loan is over because the home is being sold or because the borrower died. What this essentially means is someone either gets monthly payments, they get a home equity line of credit or they got a lump sum amount. All they have to do in the meantime is keep up on their taxes and insurance. But after a disaster and really all the time older homeowners who are eligible for these reverse mortgages may face financial challenges that make it harder for them to even keep up with their taxes and insurance. There are special forms of loss mitigation that are available to reverse mortgage borrowers. One is called the at-risk extension. It's only available if the youngest person on the loan is 80 years old or older and it provides some freedom from foreclosure even once you're in foreclosure.

Alys Cohen:

Currently the policy is you have to re-certify that you're still in critical circumstances every year, which is very challenging to do. The other policy I want to flag is often when reverse mortgages are made the younger spouse is not put on the mortgage and as a result when the older spouse dies, the younger spouse isn't on the mortgage. She or he may be an owner of the house, but may not be on the loan. What that means is that the mortgage servicer doesn't have a relationship with them, but now they're the remaining spouse in the house and they need to keep making those payments even though they're not on the loan. There are a lot of rules related to how that person can get access to staying the house generally and there are more related to the reverse mortgage in particular. It's very important that when your clients have a reverse mortgage and the older spouse dies that they be in touch with the mortgage company as soon as possible because the deadlines are very short, although we're trying to extend them.

Alys Cohen:

If you are working with older homeowners who have reverse mortgages and everyone's alive, it's essential to tell them to try to get the other spouse on the loan if they're not already on it. The alternative, let them know about these right, so if the older spouse dies and the younger spouse is not on the loan that they have to move quickly to make sure that they can keep the house. At the bottom is a bullet about a training document that's also available with a lot more information. I didn't leave Kathy enough time to go through everything else, so I'm just going to say there are questions about whether you're meeting occupancy rules for reverse mortgages after a disaster and they're described here for both forward and reverse mortgages. Next slide. These are some resources that we don't have to discuss now and I'm going to turn it over to Kathy.

Kathy Grunewald:

Okay. I'm just going to finish up by talking about where you can find help for your client or where you can refer your client to get help if they have any of the problems or encountered any of the situations we talked about today. I'm going to first start with finding a civil legal aid attorney. Those are easy to find by going to the Legal Services Corporation's website. There's a Legal Services Organization and that covers ... or Legal Aid in every county in the United States. If your client is a senior you can look at the elder care locator to find legal assistance that way too. The ABA in almost every state offers what's called ABA Free Legal Answers and volunteer attorneys provide information and advice without any expectation of a longterm representation. You can email them your question and you'll get a response. It's for low-income clients, but after a disaster they increase the income asset cap for impacted residents, so after COVID-19 that would be basically everybody in the United States. They're trained to answer disaster-related questions. Every state has a law help website where people can find information.

Kathy Grunewald:

In Florida, it's Florida Law Help. The same, or something similar for every state in the United States. There is a special law help website for immigration where clients and other people assisting clients on both of those can find information, videos, brochures, forms, that they may be able to use to help assist their client or the client can use. And then after a presidentially declared disaster, which as Alys said we have a presidentially declared emergency. But after a presidentially declared disaster, there's a disaster legal hotline that folks can call and talk to an attorney over the telephone and get legal assistance at no charge. Other hotlines, there's a lot of those on the ABA, American Bar Association websites and then there are Senior Legal Hotlines that respond to questions from seniors, legal questions that seniors may have. Finally, this page ... almost finally. This page is a disaster legal aid resource center. We can find information about disasters. You can find forms, answers to questions, where to look for information on ongoing disasters.

Kathy Grunewald:

If you need information about past disasters, you can also look at national disaster legal aid resource center. There you will also find someone to at least talk about getting FEMA assistance. If you need to do an appeal of the assistance that you got and you didn't think it was enough or if you needed ... or you were completely denied you can go at Law Help interactive and find this FEMA appeal tool that will take you all through completing FEMA appeal application.

Sarah Galvin:

Okay. Thank you so much Kathy and Alys for all of that great information. Just want to highlight that we have had webinars on similar topics and have some resources on our website ate ncler.acl.gov. If you go to the next slide you can see that we have an email address where you can reach out to us to request case consultation. If you have specific questions about some of these things or any of the other topics that we cover through NCLER, you can feel free to reach out to us and we can connect you to someone who can provide some assistance. That being said, we do have a few minutes for questions. Kathy, I'm going to start with a couple questions that came through for you. Have you seen any scams or frauds that advocates should be looking out for already as a result of the COVID-19 pandemic or do you have any recommendations for how people can kind of make sure they're saying aware of what they should be looking out for?

Kathy Grunewald:

I think the only one that we have seen ... well, there's more than one. The only one that we're seeing is price gouging and I'm sure a lot of people saw the news report about the man, I believe, a gentleman from Tennessee who bought up $17,000 worth of ... or 17,000 items of hand sanitizer and then was trying to sell them at inflated prices, so that made the big news. There's also been others who've been trying to sell products that are in short supply like hand sanitizer or wipes at inflated prices. If the price is exorbitant then that's a scam. Somebody's trying to make money off of somebody else's misery and it should be reported to, in our case, the attorney general and in most cases it would be the attorney general of the state that you're looking for. The other one that's ... recently is some kind of a liquid that if you rub on yourself it will essentially vaccinate you against the virus. The best thing to do is just to warn your clients and talk to your clients. Because the people who sell those are very persuasive. Because most of us are home and watching a lot more TV than we usually do, you may be seeing those.

Kathy Grunewald:

But, of course, there is no vaccination for this virus and people shouldn't be tricked into buying something that is not going to help them and could maybe hurt them. That's what we've seen so far related to the COVID virus.

Sarah Galvin:

Okay. Great. Thank you for that. Alys, there's a question for you. Wondering if you can provide some more details on the eviction suspension and whether that applies to all renters regardless of the county or state.

Alys Cohen:

I'm so glad that you asked that. The thing about the work that I'm doing and the focus of what I just talked about is I was only talking about post foreclosure evictions, meaning a homeowner who owns their home is foreclosed on, but they're still in their house and then they get evicted, which is usually like a local court or sheriff that takes care of that. I wasn't talking at all about the rights of renters because I can't even pretend to know about the rights of renters. I will say that in the current epidemic there was some confusion about the foreclosure and eviction moratorium that was announced by the president in terms of HUD yesterday. I think it was yesterday. All the days are running together. We have confirmed that that protection is only for homeowners and so far there are no tenant protections that have been issued by HUD. I just received a letter that's going to be sent to HUD demanding an eviction moratorium, but there isn't one at present. I think there are some in states and at local levels.

Kathy Grunewald:

Yeah. I'll just add a little bit to that because that's what we're seeing in Florida some of the circuits have different administrative orders regarding that. What is happening generally is that folks can go through and complete the eviction case but they're not executing the writ to actually ... or prevent it from executing the writ to actually remove the people from the home, apartment or whatever it is. That, I think, is something you would be ... like Alys said you check your own state or court system in your area.

Sarah Galvin:

Okay. Great. Thank you both for that clarification. Again, we will respond to some of the questions that came through on the webinar after the webinar, but since we only have about a minute left we will wrap up here. Again, thank you so much Alys and Kathy. For everyone listening, please stayed tuned for more webinars that NCLER will be coming out with in the upcoming weeks. Thank you.

Kathy Grunewald:

Thanks.