

Extended Foreclosure Moratorium for Borrowers Affected by COVID-19

1. Background and Purpose. On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), Public Law 116-136. The CARES Act protects borrowers with Federally-backed mortgage loans who are experiencing financial hardship due to the COVID-19 national emergency. The purpose of this Circular is to extend the foreclosure moratorium.

2. Moratorium on Foreclosure. The CARES Act prohibited loan servicers from initiating any judicial or non-judicial foreclosure process for the 60-day period beginning March 18, 2020. In light of the ongoing COVID-19 national emergency and its impact on Veteran borrowers, properties secured by VA-guaranteed loans are subject to a moratorium on foreclosure through August 31, 2020. The moratorium applies to the initiation of foreclosures, and to the completion of foreclosures in process.

3. Rescission: This Circular is rescinded July 1, 2021.

By Direction of the Under Secretary for Benefits

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