



# Program Update

**TO:** Participating Lenders  
**FROM:** NIFA Homeownership Team  
**DATE:** December 15, 2020  
**SUBJECT:** Update #20-33, Conventional Loans in Forbearance Status

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NIFA is sending this Program Update to inform Lender Partners of a recent announcement from Fannie Mae and Freddie Mac (“the GSEs”) that adds potential risk in connection with the closing, purchase and delivery of conventional loans that fall into a forbearance status due to COVID-19.

As you are aware, the GSEs have been accepting loans that enter forbearance prior to delivery. Currently, the GSEs will allow loans in forbearance with note dates no later than December 31, 2020 to be delivered through February 28, 2021. **The GSE announcement dated December 10, 2020 states these dates will not be further extended.**

We plan to keep a very close eye on the development of this announcement and will provide timely and clear communication with any closing, purchase or delivery deadlines that become necessary to manage pipeline risk for Lender Partners and NIFA. We understand your organization will be assessing this ongoing risk for conventional loans, whether they are NIFA loans or not, and we encourage an open line of communication as we address the implications.

Please let us know if you have any questions. Thanks for your partnership!

