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Senate of Pennsylvania

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September 3, 2020

Secretary Richard Vague
Pennsylvania Department of Banking and Securities
17 N. Second Street, Suite 1300
Harrisburg, A 17101

RE: Ensuring Mortgage Servicers' Compliance with Federal CARES Act to Protect Homeowners

Secretary Vague,

We, the undersigned members of the Senate Democratic Caucus, fully support the recommendations outlined by Community Legal Services of Philadelphia (CLS) in the letter they sent to your office on August 28, 2020. As this letter outlines, recent data and reports reveal that qualifying homeowners are being unjustly left out of the forbearance programs made available by the federal CARES Act.

When only 50% of homeowners are aware of the forbearance programs, this is a failure on the state's part to ensure that Pennsylvanians have knowledge and access to resources to which they are entitled. Information and access to these programs should not be inaccurately communicated or mismanaged during a pandemic when they could be the sole reason a Pennsylvanian can keep a roof over their head.

That is why we support the following recommendations by CLS, which ask the Department of Banking to use its existing authority under the Mortgage Licensing Act to ensure that mortgage servicers licensed in Pennsylvania are complying with the CARES Act and other consumer protections statutes and regulations.

CLS recommends that regulated mortgage servicers should be required to:

1. Certify that they are offering forbearance programs as required by the CARES Act.
2. Provide data, such as the number of homeowners with federally backed mortgages who are delinquent on their mortgages and enrolled in a forbearance and those who have not enrolled in a forbearance, so that we can better understand how this crisis is affecting homeowners.
3. Provide complete, accurate information about the forbearance programs on their websites.
4. Notify all homeowners with federally backed mortgages, especially homeowners who are more than 30 days delinquent on their mortgages, of their eligibility for forbearance programs.

In addition, CLS recommends that the Department of Banking should notify these mortgage servicers that compliance with these requirements will be evaluated at their next licensing examination.

Implementing these recommendations helps Pennsylvanians stay in their homes, ensures compliance with federal regulation and statute, and benefits our Commonwealth's economy by creating stability during a time of financial hardship and a public health pandemic.

We hope that you find the information and recommendations provided by CLS valuable and look forward to your response.

Sincerely,



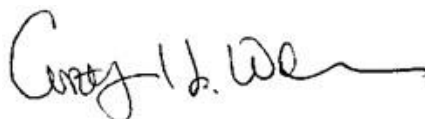
Senator Katie Muth, SD44



Senator Jay Costa, SD22



Senator Vincent Hughes, SD7



Senator Anthony Williams, SD8



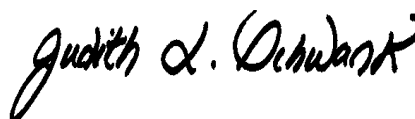
Senator Wayne Fontana, SD42



Senator Larry Farnese, SD1



Senator Lisa Boscola, SD18



Senator Judy Schwank, SD11



Senator John Blake, SD22



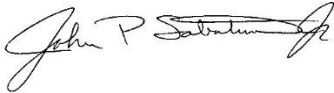
Senator Christine Tartaglione, SD2



Senator Sharif Street, SD3



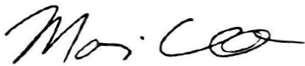
Senator Art Haywood, SD4



Senator John Sabatina, SD5



Senator Steven Santarsiero, SD10



Senator Maria Collett, SD12



Senator Andrew Dinniman, SD19



Senator Tim Kearney, SD26



Senator Pam Iovino, SD37



Senator Lindsey Williams, SD38



Senator Jim Brewster, SD45

