

**Federated Mortgage**  
**CARES Act Forbearance Talking Points**  
**April 7, 2020**



**Before closing a [refinance loan](#), please review the following talking points with the client:**

1. Once this loan closes, it will be owned by Federated Mortgage Corp. It will not be federally backed and therefore will not be eligible for the new forbearance protections granted under the CARES act that was recently passed by congress.
2. It is possible, but not guaranteed, that your loan may become federally backed in the future.
3. If you do not make your scheduled payments your loan will be in default which is reportable to the credit agencies.
4. Federated advises you make all scheduled loan payments.
5. Your current loan servicer can provide more information about whether your current loan qualifies for forbearance.

**Example Paragraph:**

You may have heard of a new act passed by congress that allows borrowers to request forbearance on federally backed mortgages. I wanted to ensure you know that this new mortgage will not be federally backed and is therefore not covered. If you do not make your first payment your loan will be in default which is reportable to the credit agencies. If you do not think you will be able to repay the loan, I advise you do not move forward with the closing. If you need to determine if your current loan is eligible for forbearance, I recommend you contact your current mortgage servicer.

**Before closing a [purchase loan](#), please review the following talking points with the client:**

1. Once this loan closes, it will be owned by Federated Mortgage Corp. It will not be federally backed and therefore will not be eligible for the new forbearance protections granted under the CARES act that was recently passed by congress.
2. It is possible, but not guaranteed, that your loan may become federally backed in the future.
3. If you do not make your scheduled payments your loan will be in default which is reportable to the credit agencies.
4. Federated advises you make all scheduled loan payments.

**Example Paragraph:**

You may have heard of a new act passed by congress that allows borrowers to request forbearance on federally backed mortgages. I wanted to ensure you know that this new mortgage will not be federally backed and is therefore not covered. If you do not make your first payment your loan will be in default which is reportable to the credit agencies. If you do not think you will be able to repay the loan, I advise you do not move forward with closing.