

A background image showing a person in a blue suit holding a tablet. In the foreground, there are legal scales and a gavel on a desk, suggesting a legal or compliance context. The image is overlaid with a semi-transparent blue filter.

COVID-19 State Foreclosure Moratorium Roundup

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Compliance Solutions

Navigating the Last of the Moratorium Protections in 2022

The era of pandemic-related foreclosure restrictions is coming to an end. Since the COVID-19 pandemic began in early 2020, multiple states and the federal government moved quickly to provide temporary relief to struggling homeowners by halting foreclosures through emergency legislation and executive orders. At the beginning of 2022, nearly all the pandemic-era foreclosure moratorium protections had already expired with a few exceptions. Here is a look back at state legislative action addressing foreclosure relief in 2022:

District of Columbia

On July 25, the District of Columbia's Mayor Muriel Bowser signed a new law amending the previously enacted Foreclosure Moratorium Extension Temporary Amendment Act of 2022 (which mandated a foreclosure moratorium until June 30, 2022) with the purpose of providing cover for borrowers while DC stood up their Homeowner Assistance Fund program. The new law, the Foreclosure Moratorium Extension Revision

and Homeowner Assistance Fund Promotion Emergency Amendment Act of 2022, removed the 60-day deadline for borrowers to submit a homeowner fund application, requires servicers to provide borrowers with notice of the District's Homeowner Assistance Fund program, and further extended the foreclosure moratorium until September 30, 2022, for homeowners who had applied for certain federal assistance.

New York

On September 2, 2021, New York's incoming Governor Kathy Hochul signed legislation extending the protections of the COVID-19 Emergency Eviction and Foreclosure Prevention Act of 2020 (CEEPPA) through January 15, 2022. The protections, which allowed borrowers facing foreclosure to stay those proceedings by claiming a COVID-19-related hardship, were first put into place in December 2020. The extension included amendments to the previous law that allowed a petitioner to request a hearing from the court to determine the validity of a hardship declaration. In the absence of a court challenge, borrowers who return a signed Hardship Declaration were entitled to a stay of foreclosure through January 15, 2022.

Oregon

In Oregon, Governor Kate Brown signed House Bill 2009, which extended the state's foreclosure moratorium through June 30, 2021. The bill also gave the governor the authority to further extend the moratorium by executive order, and the governor used that authority twice – the last extension expired on January 1, 2022.

Vermont

In Vermont, the plaintiff in a Vermont foreclosure action must provide notice to the defendant about the availability of federal funds under the Vermont Homeowner Assistance Program (HAP). The homeowner may request a stay of foreclosure activity if they have submitted a HAP application and believe they meet the basic eligibility requirements for the program. Upon submission of the request, the stay will be automatically granted for a period of 60 days. This provision will expire on September 30, 2025, or when HAP funding has been exhausted, whichever occurs earlier.



Foreclosure moratoria issued in response to the COVID-19 pandemic varied across all states in terms of justification, duration, and eligibility. The COVID-19 public health crisis was cited as a justification in most of the foreclosure moratoria issued at the state level. However, some states introduced legislation lacking specificity that triggered certain legal protections during any public health emergency – not limited to only COVID-related public health emergencies. In one of the more overbroad responses, the District of Columbia's mayor signed a trio of consumer protection bills (Protecting Consumers from Unjust Debt Collection Practices Amendment Act of 2022) incorporating sections of prior pandemic-related legislation. Notably, these sections restrict debt collection activities “[d]uring a public health emergency and for 60 days after its conclusion.” The new law is effective January 1, 2023 and will automatically impose a vehicle repossession and debt collection moratorium if a public health emergency is declared by the mayor in the future. Likewise, the Rhode Island legislature introduced a bill that, if enacted, would impose a moratorium on mortgage foreclosure and establish an eviction diversion program during a state of emergency until after its conclusion. The term “state of emergency” is undefined.