

### **Approving Forbearance Requests for Veterans Affected by COVID-19**

1. **Background and Purpose.** VA remains firmly committed to assisting Veterans as they experience financial hardships due to the COVID-19 pandemic. Veterans who have recently begun experiencing financial hardships due to the pandemic are uncertain about forbearance options available to them. Many Veterans who requested forbearance early on and have or will soon be coming to the end of their forbearance periods, are also uncertain. This Circular provides guidance for granting COVID-19 forbearance to Veterans who continue experiencing financial hardships, directly or indirectly, because of the pandemic.

2. **Action.**

a. Under this Circular, VA expects servicers to approve a Veteran's request for COVID-19 forbearance, or continued forbearance, if a Veteran is experiencing a financial hardship, directly or indirectly, due to COVID-19, and the hardship negatively affects the Veteran's ability to make on-time loan payments. Veterans with VA-guaranteed loans may be eligible for COVID-19 forbearance, regardless of the delinquency status of the VA-guaranteed loan. The Veteran's initial request for COVID-19 forbearance may be granted for up to six months. If needed by the Veteran, the Veteran may request, and VA expects the servicer to approve, additional COVID-19 forbearance for up to six months. Servicers may approve a Veteran's initial COVID-19 forbearance if the request is made on or before June 30, 2021. A COVID-19 forbearance period may extend through June 30, 2022.

b. For Veterans who requested their initial COVID-19 forbearance on or before June 30, 2020, VA expects that, if needed, the Veteran may request, and the servicer will approve, up to two additional three-month COVID-19 forbearance periods, after twelve months of COVID-19 forbearance. The Veteran must request each three-month extension individually. Neither of the two additional three-month COVID-19 forbearance periods may extend beyond December 31, 2021.

c. Any period of COVID-19 forbearance may be shortened at the Veteran's request.

d. The servicer should waive all late charges, fees, and penalties, if any, that might otherwise accrue because of payments missed during a COVID-19 forbearance.

e. The COVID-19 forbearance described in this guidance does not supersede or otherwise eliminate the special forbearance loss mitigation option defined in 38 C.F.R. § 36.4301.

3. **Questions.** Any questions regarding this Circular should be submitted via email to [valerihelpdesk.vbaco@va.gov](mailto:valerihelpdesk.vbaco@va.gov).

4. **Rescission:** This Circular is rescinded July 1, 2022.

By Direction of the Under Secretary for Benefits

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