

Frequently Asked Questions and Answers

45. Question: How should accounts in forbearance be reported?

Answer: Forbearance is a period of time during repayment in which a borrower is permitted to temporarily postpone making regular monthly payments. The debt is not forgiven, but regular payments are suspended until a later time. A forbearance agreement is most commonly applied to mortgages and student loans. However, forbearance is applicable to any type of loan. As an example, forbearance may be granted if a borrower is experiencing temporary financial difficulty. The consumer may be making reduced payments, interest-only payments or no payments.

If the account is in forbearance, report:

- Terms Duration = terms of the loan, which can be changed if the terms of the loan are extended
(If no payments are due during the forbearance period, blank fill.)
- Terms Frequency = frequency for payments due
(If no payments are due during the forbearance period, report code **D** for deferred.)
- Scheduled Monthly Payment Amount = new payment due
(If no payments are due during the forbearance period, zero fill.)
- Account Status = appropriate code that specifies the status of the account for each month the account is in forbearance (e.g., Current, 30 days delinquent, 60 days delinquent)
(If no payments are due during the forbearance period, report Account Status **11**.)
- Payment History Profile = appropriate code that specifies the previous month's Account Status for each month the account is in forbearance, plus prior history
(Increment the Payment History Profile with value **D** if no payments are due during the forbearance period.)
- Special Comment Code = **CP** (Account in forbearance)
- Current Balance = outstanding balance amount, reflecting any payments made
- Amount Past Due = total amount that is 30 days or more past the due date, if the account is delinquent during the forbearance period
- K4 Specialized Payment Indicator = **02** and Deferred Payment Start Date if payments are deferred during the forbearance period

Important Note: Additionally, if the consumer was delinquent going into the forbearance period and no payments were required during forbearance, the two fields below must be considered when the consumer comes out of forbearance and begins repayment.

- Account Status Code = appropriate code that specifies the status of the account when the account comes out of forbearance
- Date of First Delinquency = if the Account Status is delinquent, the original date that led to the Account Status being reported, prior to forbearance