



MARK BRNOVICH
ATTORNEY GENERAL

OFFICE OF THE ATTORNEY GENERAL
STATE OF ARIZONA

March 19, 2020

To: Financial and Lending Institutions Serving Arizonans

I write to urge all financial and lending institutions who serve Arizonans to provide temporary relief and economic certainty to their customers in financial hardship during this unprecedented health emergency. Arizonans who are not working or have had their hours dramatically reduced due to this public health crisis need to know that they will have a roof over their heads and the ability to provide for their families during this difficult time. Additionally, providing relief to Arizonans will help dampen the financial impact of this crisis in the future. We must all work together to assist our neighbors, and there is no more powerful response to combat fear and uncertainty than when the American private sector unites and provides compassion and certainty to those in need during an unforeseen crisis.

Mortgage delinquencies, foreclosures, evictions, late auto loan payments, repossessions, and credit card defaults, among other things, are all expected to increase as a result of this pandemic. President Trump has acknowledged the impact on student loan borrowers by waiving interest for an indefinite period. Fannie Mae, Freddie Mac, FHA, and HUD have stopped all foreclosures and evictions and provided payment relief programs for impacted families. Many mortgage servicers and banking institutions voluntarily have ceased all foreclosures and evictions. They also have provided other assistance, such as waiving payments for 90 days and putting those payments on the back of the loan, not charging late fees, and refraining from negative credit bureau reporting during that 90-day period. I am grateful for these efforts.

Arizona needs, however, a consistent application of these amelioration efforts that is equitable for all Arizonans. Therefore, I am asking financial and lending institutions serving Arizona customers who can demonstrate economic hardship to do the following:

- All mortgage servicers, mortgage lending institutions, auto lending, and finance companies waive payments for 90 days and agree to place those payments on the back of the loan in three additional payments (no lump sum payment or balloon).
- All mortgage servicers and mortgage lending institutions cease all foreclosures and evictions for at least 90 days.

- All auto finance companies and lending institutions cease all repossessions for at least 90 days.
- All lending institutions (i.e., mortgage, auto, credit card companies, and any other lending institution) cease charging late fees and default interest for late payments for at least 90 days.
- All lending institutions (i.e., mortgage, auto, credit card companies, and any other lending institution) cease negative reporting to credit bureaus for at least 90 days for borrowers who make late payments or who participate in the above-listed forbearance programs.

The history of our great country shows that in times of crisis, we must all come together and provide support for one another. I am calling for the banking and lending institutions to get ahead of this crisis and provide relief for Arizonans who need it. By working together for the benefit of our fellow citizens, we will come out of this sudden, unexpected and unprecedented public health, and economic crisis.

Thank you for consideration of this request. *Fiat iustitia ruat caelum* - "Let justice be done though the heavens fall."

Sincerely,

A handwritten signature in blue ink that reads "Mark Brnovich". The signature is stylized and includes a long, horizontal flourish extending to the right.

Mark Brnovich
Arizona Attorney General