



GOVERNMENT OF PUERTO RICO

Office of the Commissioner of Financial Institutions

CIRCULAR LETTER NO. CFI-2020-01

TO: ALL MORTGAGE LENDERS, MORTGAGE SERVICERS, HECM SERVICERS AND
ALL FINANCIAL INSTITUTIONS ACTING AS MORTGAGE LOAN SERVICERS
AND HECM SERVICERS

FROM: GEORGE JOYNER, COMMISSIONER OF FINANCIAL INSTITUTIONS

DATE: January 31, 2020

RE: ASSISTANCE IN FILING INSURANCE CLAIMS FOR PERSONS AFFECTED BY
THE RECENT EARTHQUAKES IN CERTAIN AREAS IN THE SOUTH OF PUERTO
RICO

I. AUTHORITY

This circular letter is issued pursuant to the authority conferred by Act Number 4 of October 11, 1985, as amended, known as the "Office of the Commissioner of Financial Institutions Act" (hereinafter, "Act 4") and Act 247-2010, titled "Act to Regulate the Mortgage Loan Industry in Puerto Rico" ("Act 247").

II. LEGAL BASE

Act 4 entrusts the Commissioner of Financial Institutions with the main responsibility of controlling and supervising the financial institutions that operate or do business in Puerto Rico. Also, Section 412, Subsection (a) of Act 4, provides that:

- (a) The Commissioner may issue, amend and rescind, from time to time, such regulations, forms, and orders as may be necessary to enforce the provisions of this act, including regulations

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and forms governing applications and reports, and defining any terms, whether or not used in this act, insofar as said definitions are not inconsistent with the provisions of this act...

In turn, section 3.8 of Act 247, codified in 7 L.P.R.A. §3053g, provides as follows:

§3053g. Duties of the licensee

(a) Any person engaged in the mortgage lending business to finance or refinance the acquisition of real property shall be required to: ...

(c) All licensees operating in Puerto Rico shall submit the reports required by the Office of the Commissioner of Financial Institutions in the form and including the contents established by the Commissioner through order or regulations.

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III. PURPOSE

The purpose of this Circular Letter is to request all mortgage lenders, mortgage servicers, Home Equity Conversion Mortgage ("HECM" or "Reverse Mortgage") and all financial institutions acting as mortgage servicers and HECM servicers ("globally, the "mortgage servicers") to report to the OCFI on their on-going activities to assist all persons affected by the earthquakes that took place in southern part of Puerto Rico commencing of December 28, 2019 and which continue as of the date of this Circular Letter. Specifically, the OCFI is interested in the efforts undertaken by the mortgage services (as defined above) to help the affected persons to file, in the pertinent cases, insurance claims to recover their property losses caused by the earthquakes mentioned above.





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IV. REQUIRED REPORTS

All mortgage servicers, as defined above, are hereby directed to file monthly reports (as further detailed below) on all efforts undertaken to assist all persons affected by the earthquakes that took place in the southern part of Puerto Rico, commencing on December 28, 2019, and which, as of the date of this Circular Letter, continue to take place.

Mortgage Servicers and HECM Servicers are reminded of their obligation to assist "persons affected by the earthquake" (as defined below) who are their mortgagors and whose mortgaged property was affected by the earthquake in preparing and filing their respective homeowner insurance claims. Mortgage Servicers are further reminded of the stay on foreclosures in effect for "persons affected by the earthquake" (as defined below) and loss-mitigation assistance available to these person, pursuant to the relevant servicing guidelines.

For purposes of the reports required by this Circular Letter, the term "persons affected by the earthquake" includes persons who suffered a physical damage to their residence or buildings (whether or not covered by hazard or homeowners insurance and/or other type of property insurance), persons who have suffered economic injury or loss attributable to the earthquakes (including, but not limited to, loss of income from employment or business), and persons who have been harmed or suffered injuries from the earthquakes or circumstances or events directly related to the earthquakes, which persons' principal residence or place of employment or business is located in the following

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municipalities and zip codes¹ of Puerto Rico which further are subject of the Presidential Declaration of a Major Disaster for the Commonwealth of Puerto Rico (FEMA-4473-DR):

Adjuntas 00601
Maricao 00606
Arecibo 00612
Peñuelas 00624
Sabana Grande 00637
Ciales 00638
Utuado 00641
Guánica 00653
Guayanilla 00656
Hatillo 00659
Jayuya 00664
Lajas 00667
Lares 00669
Yauco 00698
Ponce 00730
Ponce 00731
Juana Díaz 00795

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For any persons affected by the earthquake, as previously defined, loan servicers are directed to provide a monthly reports for each of the 17 Zip-Codes listed above in the format of the "Report of Moratorium Granted Due to Earthquake PR" attached to this circular letter and also available as an Excel Template. The "Report of Moratorium Granted Due to

¹In the event a property is located in one of the municipalities listed above, but has a different or unknown zip code, please include the property in your report.





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Earthquake PR" template is similar in format to the report previously submitted by loan servicers on moratoria granted in the aftermath of Hurricanes Irma and Maria of 2017. The format of this report is attached hereto, as Appendix I.

For all consumer mortgages on properties located in the 17 listed Zip-Codes or of persons affected by the earthquake, loan servicers are directed to provide weekly individual reports by Zip-Code in the format of the "Mortgage Delinquency Report" currently provided at month-end for the entirety of the portfolio serviced. The format of this report is attached hereto, as Appendix II, and is also available as an Excel Template.

These reports are mandatory and must be filed in electronic form in the corresponding Excel format.

The reports must be filed weekly on Wednesday as of the previous Friday week ending date. The first report for the week ended today Friday January 31, 2020 is due by the close of business Wednesday February 5, 2020.

V. TIME TO FILE MANDATORY REPORTS

Pursuant to the investigative powers conferred on the Commissioner by the Act 4 and Act 247, any mortgage servicer, as defined above, shall submit the Report, as defined above by not later than 4:30 p.m. every Wednesday, covering the immediately preceding week.

VI. EFFECTIVENESS

The provisions of this Circular Charter shall begin to govern immediately. The first report is due on Wednesday, February 5, 2020,





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which shall cover activities undertaken in the week commencing on January 27, 2020.

Attachments:

- Appendix I
- Appendix II

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Date: mm/dd/yyyy Zip Code 00000

Mortgage Delinquency Report

Total Portfolio		30 Days delinquent		60 days delinquent		90 Days Delinquent		Non Accruals		Bankruptcy		90 days not ref		In Foreclosure		Foreclosed	
#	\$	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$

Own Porfolio

Serviced Porfolio Affiliates

Serviced Porfolio PR

Serviced Porfolio US

Serviced Porfolio AEELA

Serviced Porfolio PRHFA

Total

Date: mm/dd/yyyy Zip Code 00000

Report of Moratorium Granted Due to Earthquake in PR

	Own Portfolio			Fannie Mae			Ginnie Mae			Freddie Mac			Other			Total		
	Total Loans	Insurance Claims Filed	Loan Amount	Total Loans	Insurance Claims Filed	Loan Amount	Total Loans	Insurance Claims Filed	Loan Amount	Total Loans	Insurance Claims Filed	Loan Amount	Total Loans	Insurance Claims Filed	Loan Amount	Total Loans	Insurance Claims Filed	Loan Amount
Mortgage Loans																		
FHA																		
VA																		
HECM																		
Conventional																		
Others																		
Total Mortgage Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personal Loans																		
Auto Loans																		
Credit Card																		
Financing																		
Total																		
Commercial																		
*** Amounts in thousands																		

Moratorium Type Description

- 1 Interest Waiver, Payment schedule extension at maturity
- 2 Interest will be accumulated and payment schedule will be extended at maturity
- 3 Payment plan will be agreed with the debtor (Loan Modification)
- 4 Full payment at the end of the moratory period
- 5 Payment plan for the uncovered payments during the moratory
- 6 Other, Please Describe
- 7 Other, Please Describe