There are ways servicers can offer forbearance – an agreement to let borrowers either pay at a lower interest rate or suspend payments temporarily because of a hardship. But it's on a case-by-case basis.

"Somebody owns those bonds," said Mark Vitner, a senior economist with **Wells Fargo**. "Who is going to make those interest payments?"

Any missed or reduced payments typically have to be repaid, with interest. Sometimes, that means the loan will be re-amortized, so whatever you don't pay now, you'll be paying off over the remaining years of your loan, with interest.

America's mortgage market is much bigger than Italy's $423 billion of outstanding home-loan debt. The U.S. has about $11 trillion of mortgages on one- to four-family homes, according to **Federal Reserve** data. More than half of that is contained in bonds compiled and backed by **Fannie Mae** and **Freddie Mac**.

The **Federal Housing Finance Agency**, which oversees those government-controlled mortgage securitizers, issued a directive last week urging servicers to offer help to people who fall behind on mortgage payments because of the coronavirus pandemic.

"To meet the needs of borrowers who may be impacted by the coronavirus, last week Fannie Mae and Freddie Mac reminded mortgage servicers that hardship forbearance is an option for borrowers who are unable to make their monthly mortgage payment," said FHFA Director Mark Calabria. "For borrowers that may be experiencing a hardship, I encourage you to reach out to your servicer."

In addition, regulators such as the Federal Reserve on Tuesday urged U.S. banks such as **Wells Fargo** and **JPMorgan Chase** to work "constructively" with borrowers affected by the coronavirus outbreak, promising they won't get dinged by examiners as long as the measures show good judgment.

Italy has been the nation with the biggest outbreak of COVID-19, the disease caused by the new coronavirus, outside of China. Italy has more than 15,000 cases, and more than 1,000 people have died, according to **Johns Hopkins University**.

While Italy is the only government to introduce a plan to suspend mortgage payments for people affected by the lockdown – and so far it's only for the

worst-hit areas of the nation – other European countries may follow suit, according to an **S&P** report.

“New monetary and fiscal stimulus measures are currently being launched daily and the Italian government is contemplating broadening the mortgage payment suspension scheme nationwide,” S&P said.

“Some banks and governments in other countries, including France, Spain, and the U.K., have mooted similar measures, although the potential scale of eligibility and level of uptake among borrowers could vary widely and are not yet known,” the report said.