



# 2021 Consumer Protection Priorities for a COVID Stimulus Package

The COVID crisis is creating a tsunami of debt. Even before COVID, 31% of Americans ([42% in communities of color](#)) had a debt in collection. With the unemployment rate still [nearly double](#) pre-pandemic levels ([far higher for people of color](#)), Congress needs to build levees now to keep Americans in their homes, cars, and jobs, and to give them a path to recovery.



**Housing: Keep Americans in Their Homes:** Millions of mortgages are in [forbearance](#) or [delinquent](#).  
• *Extend forbearance and the foreclosure moratorium to the whole market and require lenders to offer affordable post-forbearance options by passing protections like those in the [HEROES Act § 110203](#).*



**Student Loans: Don't Punish Americans for Investing in the Economy.** A \$1.6 trillion bill is due and Americans need help. See full NCLC recommendations [here](#).  
• *Broadly cancel student loan debt as called for by [S.Res.711](#) led by Senators Schumer and Warren.*  
• *Extend the payment suspension and expand it to cover all federal student loans.*



**Utilities: Keep the Lights On and the Water Running.** Even before COVID, nearly [1 in 3 households struggled to pay energy bills](#) and shut-off moratoriums are [expiring](#). The lights will go out unless Congress acts.

• *Increase funding for [energy](#) and [water](#) assistance programs as in the HEROES Act §§ [120403](#), [190703](#).*



**Telecommunications: Bridge the Digital Divide & Keep Kids Learning.** 59% of lower income parents say their child [may face digital obstacles in schoolwork](#).  
• *Establish an [emergency broadband benefit](#) and expand the [Lifeline program](#) for basic telephone and broadband service, such as in [Heroes Act § 130301](#).*



**Cars: A Lifeline to Work and Medical Care.** Cars are key for employment ([86% of workers commute by car](#)) and medical care, especially during the COVID Crisis.

• *For those struggling to keep a car, impose a moratorium on repossessions and create programs for affordable repayment plans as in [HEROES Act § 4024](#).*



**Debt Collection: Don't Let Collectors Push America into Poverty.** Even before the COVID crisis there was a debt crisis. Congress needs to ensure those with debt can still make ends meet.

• *Protect a living wage needed for necessities by protecting at least [\\$1,000 a week in wages](#), and [\\$12,000 in the bank from garnishment by collectors or offset for government debts](#).*  
• *Pass emergency debt collection restrictions like those in [HEROES Act § 110402](#).*



**Credit Reporting: Preserve Access to Housing, Jobs, and Future Credit.** Impending debt defaults will result in negative credit reports and scores for millions of people, prevent access to credit for years, and deny them housing and employment.

• *Stop negative credit reporting for delinquencies incurred during the pandemic, such as in the [HEROES Act § 110401](#), and stop the use of credit reports for jobs.*



**Predatory Lending: Stop Loan Sharks from Exploiting the Crisis.** During times of financial crisis, profiteering lenders will take advantage of desperate Americans unless Congress stops them.

• *Enact a [36% interest rate cap](#) for loans and prohibit overdraft fees during the crisis.*



**Criminal Justice Debt: Don't Criminalize Poverty.** Fines and fees trap people in poverty and prison.

• *Incentivize suspending state and local fines and fees, such as in [HEROES Act § 191108](#), and ensure families can stay connected by limiting prison phone costs, such as in [HEROES Act § 130701](#).*



**Civil Rights: Ensure a Just Recovery.** The COVID crisis is severe for communities of color.

• *Require oversight to ensure that COVID relief goes to the communities of color and low-income families that need it most and fund outreach to borrowers with limited English proficiency.*  
• *Implement public reporting of loan-level COVID-related mortgage lending and performance data for government-backed ([H.R. 6794](#)) and other loans ([H.R. 6835](#)).*

For more information, contact NCLC Director of Communications Jan Kruse ([jkruise@nclc.org](mailto:jkruise@nclc.org))