COVID-19 & Consumer Protections

The COVID-19 pandemic is creating upheaval in people’s lives, especially the most vulnerable, and NCLC is working with allies, government officials, and businesses, to help. This list of resources, which will be updated as new information is available, is a guide to help families navigate their financial lives during these turbulent times. It also includes best ways to connect with NCLC while our staff works from home to avoid community spread.

Advocacy Resources: General Consumer Protections, Autos, Banks and Prepaid Card Accounts, Bank Fees, Bankruptcy, Credit and Debt, Credit Reporting, Criminal Justice, Housing, Older Consumers, Racial and Immigrant Equity, Robocalls & Telemarketing, Student Loans, Utilities and Bridging the Digital Divide

Training & Conferences || Additional Resources for Consumers

Resources

Advocacy

NCLC staff are working with allies, federal and state policymakers, and industry to push for relief for consumers facing financial distress in light of the coronavirus crisis.

General Consumer Protections

- Share your COVID-19 Financial Complaint
- FAQs on Stimulus Payments (continually updated)
- Major Consumer Protections Announced in Response to COVID-19 (Federal and State) (continually updated)

Federal Relief

NCLC & Other Recommendations

- Coalition letter urging Congress to provide robust funding for the United States Postal Service, May 6, 2020
- Coalition letter to Congress with renewed call for credit and debt protections to address financial distress from COVID-19, May 1, 2020
- Immediate Actions the CFPB Can Take to Address the COVID-19 Crisis by Former CFPB Director Richard Cordray, Former CFPB Deputy Assistant Director of Regulations Diane E. Thompson, and Former Special Advisor, CFPB and Department of Defense Christopher Peterson, April 6, 2020
- Senate COVID-19 Stimulus Bill is a Start but Falls Far Short for Families, Students, and the Nation’s Most Vulnerable, March 26, 2020
- Group letter to federal agencies urging suspension of all non-COVID-19 rulemaking during the public health emergency, March 24, 2020
- Group letter to federal agencies requesting a 90-day tolling (extension) of public comment periods during the COVID-19 pandemic, March 20, 2020
- 63 Groups Call for Credit and Debt Protections to Address Financial Distress From COVID-19.
March 22, 2020

- **Group letter** to Congress on financial stimulus recommendations for COVID-19 to provide substantial relief for workers, consumers, and small businesses, March 20, 2020

**State Relief**

- **National Association for Attorneys General Center for Consumer Protection’s COVID-19 Information** - The latest information about what attorneys general are doing to combat COVID-19 related scams and price gouging, information on a wide range of consumer topics, and how to contact the consumer offices of each attorney general.

**NCLC & Other Recommendations**

- **What States Should Do: Stabilizing Consumer Finances During the Coronavirus Crisis**, April 2020

**Autos**

**State Relief**

- [State Protections Against Repossession](#) (continually updated)

**NCLC Recommendations**

- **Auto Finance and the Coronavirus Crisis: What States Should Do to Help**, March 2020

**Bank and Prepaid Card Accounts, Bank Fees**

**State Relief**

- States, including [New York](#), have ordered or encouraged relief affecting overdraft, ATM and credit card late fees.

**NCLC & Other Recommendations**

- Banks and credit unions that offer safe checkless checking accounts that meet the Bank On National Account Standards (including no overdraft or NSF fees) can be opened online, and are available to people with blemished account screening histories, can be found at [JoinBankOn.org](#).

**Bankruptcy**

- **Group letter** urging Congress to adopt amendments to the Bankruptcy Code in response to the COVID-19 pandemic, March 24, 2020

**Credit and Debt**

**Federal Relief**

- The federal banking agencies have issued guidance encouraging institutions to work with affected customers.
NCLC & Other Recommendations

- Letter from banking and consumer groups to Congress urging clarification that stimulus payments are exempt from garnishment, April 21, 2020; press release.
- Letters from bank trade associations and debt buyers urging that stimulus payments be protected from garnishment.
- Protecting Against Creditor Seizure of Stimulus Checks, April 13, 2020
- The U.S. Treasury Can and Should Ensure that Stimulus Payments Go for Families’ Food and Necessities, not to Debt Collectors, April 2020

State & Local Relief

NCLC is tracking state and local government responses to the coronavirus that are relevant to the collection of non-mortgage consumer debts, including:

- Covid-19 Related State Protections for Wages and Cash in Bank Accounts (continually updated)
- Prohibition of Certain Collection Practices - Entries track practices in the collection of civil, non-mortgage debts by debt collectors or creditors that have been temporarily prohibited due to the coronavirus.
- Can Debt Collectors Work from Home? – Entries track orders and guidance related to whether debt collectors can work from home. Only highlights guidance that has been issued in relation to the coronavirus. Some jurisdictions may have had prior guidance.
- Bar on Collection of Debts Owed to State/Local Government – Entries track state and city temporary orders that have been enacted to bar the collection of debt owed to the government.
- Suspension of Certain Court Proceedings Related to Debt Collection – Entries include a non-comprehensive list of courts that have suspended certain judicial proceedings or activities related to the collection of civil, non-mortgage debts. For more about state court closures see the National Center for State Courts website.
- Calls to Action – Entries track calls to action from legislators, attorneys general, businesses, and advocates to state governments and industry leaders calling for collection moratoriums and other debt collection related consumer protections.
- Legislative Responses – Entries track legislation introduced at state and municipality level that includes prohibitions on certain debt collection practices. Entries track status of bills.
- Other Debt Collection Responses - Entries include responses by states that do not fall into one of the other categories, such as new legislation relating to debt collection during the coronavirus pandemic and recommendations for collection practices from state agencies.

NCLC & Other Recommendations

- Sample letters urging a halt to bank account garnishments and/or debt collection from advocates in California (includes sample order), Ohio, Texas
- Coronavirus Emergency: Why States Need to Act Now to Protect Families’ Stimulus Payments, April 2020
- Coronavirus Emergency: Preventing Garnishment of Stimulus Checks, April 2020
- What State and Federal Policymakers Can Do to Protect Public Health and Protect Consumers from Medical Debt, March 2020
- For state advocates working with their state legislators to protect people impacted by income
losses due to COVID-19, NCLC’s report may be of help. *No Fresh Start in 2019: How States Still Let Debt Collectors Push Families into Poverty* surveys all 50 states and has a number of charts and maps assessing the extent to which state laws protect basic income and assets needed for survival: wages, home, car, bank account, household goods.

**Credit Reporting**

**Federal Relief**

**NCLC Recommendations**

- [Group Letter](#) urging Congress to include [S. 1581/HR 6470](#) the Medical Debt Relief Act of 2019 in the next Covid-19 relief package, May 11, 2020
- [Enforcing the CARES Act Credit Reporting Protections](#), May 2020
- [Protecting Credit Reports During the Covid-19 Crisis](#), April 2020
- NCLC press release: National Consumer Law Center Advocate Slams Trump Administration Credit Reporting Guidance for Giving Relief to Creditors and Credit Bureaus But Not Consumers During COVID-19 Pandemic, April 1, 2020

**State Relief**

**NCLC Recommendations**

- [Credit Reports and the Covid-19 Crisis: What States Should Do to Help Consumers](#), March 2020

**Criminal Justice**

**Federal Relief**

**NCLC & Other Recommendations**

- [Group letter](#) urging the FCC to protect incarcerated people and their families during the COVID-19 crisis by request private companies offer free phone and video visits with no fees, April 7, 2020

**State Relief**

**NCLC & Other Recommendations**

- [Written Testimony](#) of NCLC before the Commonwealth of Massachusetts Joint Committee on the Judiciary Supporting H.4652, An Act Regarding Decarceration and COVID-19, May 5, 2020
- [Group letter](#) urging the American Association of Motor Vehicle Administrators to halt suspension of driver’s licenses and to reinstate and renew licenses currently suspended for reasons other than unsafe driving during the Covid-19 crisis, April 2020
- [Coronavirus Emergency: Criminal Justice Debt – How States Can Help](#), March 2020
- [Group letter](#) urging free access to telephone and video conferencing (where available) for all those incarcerated in Massachusetts, given the suspension of personal visitation to prevent the spread of COVID-19, March 20, 2020
- [Fines and Fees Justice Center’s COVID-19 Policy Recommendations](#) urging state and local governments to make immediate changes to their criminal, traffic and municipal ordinance fines and fees policies to protect public health and ensure that fines and fees are not a barrier to people’s basic needs throughout this emergency.
Housing

Federal Relief

- Appraisal Changes for Government-Backed Mortgages:
  - [Fannie Mae](https://www.fanniemae.com/), [Freddie Mac](https://www.freddiemac.com/), FHA, and VA to allow appraisals without interior inspections.
  - The [Appraisal Institute](https://www.appraisalinstitute.org/) and the [Appraisal Foundation](https://www.appraisalfoundation.org/) have extensive information on how COVID-19 is affecting appraisers.
  - The USDA has waived or relaxed certain parts of the application process for Single-Family Housing Direct Loans, including site assessments, and has extended the time period that certificates of eligibility are valid.
- For mortgage borrowers facing difficulties as a result of the pandemic, Fannie Mae, Freddie Mac, FHA, FHFA, and the VA have issued guidance for borrowers and reminders to loan servicers about options available for borrowers in hardship.
- HUD issued a [foreclosure and eviction moratorium for all FHA-insured Single Family mortgages](https://www.hud.gov/topic/foreclosures) for 60 days, effective March 18, 2020.

NCLC & Other Recommendations

- [Housing and industry coalition letter](https://www.housingcoalition.org/) to federal agencies urging establishment of a single consumer-facing online portal to provide centralized housing information about federal mortgage and rental relief available during the COVID-19 national emergency, May 4, 2020.
- [NCLC](https://www.nclar.org/) is sponsoring a series of free webinars for advocates in May 2020.
  - COVID-19 and Mortgage Relief for Homeowners: CARES Act Protections, May 7, 2020. [Webinar recording and materials](https://nclar.org/webinars/). This webinar will provide an overview of the forbearance and post-forbearance options for federally-backed mortgages, including an explanation of what the CARES Act requires and a discussion of the servicing policies of Fannie Mae, Freddie Mac, FHA, VA, and USDA (Andrea Bopp Stark- NCLC, Sarah Bolling Mancini-NCLC).
  - Forbearance Options and CARES Act Requirements, May 14, 2020 2 PM EST In this session, we will go into more depth about the language of the CARES Act and the ways different government entities are implementing its requirements. We will also touch on how servicers are handling forbearance requests, and strategies to deal with servicer noncompliance. (Tara Twomey-NCLC, Steve Sharpe-NCLC, John Rao-NCLC) [Register](https://nclar.org/webinars/).
  - Reverse Mortgage Foreclosure Issues in the Covid-19 Pandemic, May 21, 2020 2 PM EST This webinar will discuss the home-saving options for reverse mortgage borrowers and non-borrowing spouses, including specific updates about Covid-19 related protections. (Sarah Bolling Mancini-NCLC, Odette Williamson) [Register](https://nclar.org/webinars/).
- [Group letter](https://www.nclar.org/) to HUD thanking it for adopting a flexible forbearance policy and urging additional steps to help homeowners during the COVID-19 crisis, April 30, 2020.
• **Group comments** to the U.S. Housing and Urban Development re: Mortgagee Letter 2020-04 and urgent steps needed to protect reverse mortgage borrowers during the COVID-19 public health crisis, March 24, 2020

**State & Local Relief**

• **COVID-19 Related State Foreclosure Moratoriums and Stays**.

**NCLC & Other Recommendations**

• **Group letter** to the MA Division of Banks urging clarifying guidance to Chapter 65 of the Acts of 2020, re: mortgage forbearances during the COVID-19 emergency, May 11, 2020
• **Coronavirus Emergency: Mortgage Relief for Consumers - How States Can Help**, April 2020
• **National Housing Law Project: Enforcing Eviction Moratoria: Guidance for Advocates** (eviction protections in the CARES Act, which includes HUD subsidized properties as well as private multi-family housing if the owner has a federally guaranteed mortgage), April 2020

**Older Consumers**

• **Federal, State and Private Protections for Older Consumers Impacted by the COVID-19 Pandemic**, April 2020

**Racial and Immigrant Equity**

**NCLC & Other Recommendations**

• **Leadership Conference on Civil and Human Rights Civil rights urging Congress to enact health and economic policies to protect low- and middle-income households, (especially households of color)**, April 16, 2020
• **Immigrant Workers’ Rights and COVID-19 — A Resource for Workers and Their Advocates** (National Immigration Law Center, National Employment Law Project, and the Occupational Safety and Health Law Project)
• **Group letter** urging FHFA to quickly translate key mortgage forbearance notices related to COVID-19 for borrowers with Limited English Proficiency, April 9, 2020; **Press Release**

**Robocalls & Telemarketing**

**Federal Relief**

**NCLC & Other Recommendations**

• **NCLC & American Bankers’ Association Ex-Parte joint comments** to the FCC requesting quick action to interpret the TCPA’s emergency exception to apply to automated calls from creditors during the COVID-19 emergency when informing consumers of forbearance and payment deferral options for loans secured by homes and vehicles, April 23, 2020
• **Group Ex Parte Comments to the FCC** supporting the American Banker Asso. and other lenders petition on pandemic calls during declared national emergency, limited numbers of automated calls from the described institutions to alert their customers to the callers’ offers of the specified kinds of relief related to the COVID-19 pandemic, April 9, 2020; **Related press**
Student Loans

Federal Relief

Litigation

- *Barber, Jenkins et al vs Devos and U.S. Department of Education*, Case 1:20-cv-01137, May 7, 2020. [Amended Complaint](#) and [Press Release](#). [Share your story if you have had wages garnished in 2020 for a student loan](#). NCLC and Student Defense, with support of the Student Borrower Protection Center, filed an emergency APA lawsuit in the D.C. District Court against the U.S. Department of Education seeking to stop its garnishment of wages from defaulted student loan borrowers and to force the agency to immediately comply with [Sec. 3513 (e)](#) of the CARES Act that mandates that all such collections be ceased until at least next September. A motion for injunctive relief class certification has also been filed.

NCLC & Other Recommendations

- [Coalition letter](#) to Congress urging immediate and comprehensive action to ensure equal educational opportunity during the COVID-19 public health crisis and beyond, May 7, 2020
- [Letter from NCLC and SBPC urging U.S. Dept. of Education to take swift action to mitigate student loan borrower harm from poor servicer implementation of the CARES Act](#), April 27, 2020
- Video Explainer: [What the CARES Act Means for Repayment of Federal Student Loans](#), April 21, 2020
- Consumer and industry groups’ [letter](#) urging Congress to extend CARES Act relief to all federal student loan borrowers; [66 national, state, and community groups letter](#), April 13, 2020
- [Coronavirus Crisis: What Borrowers Need to Know About Student Loan Relief](#), April 2020
- [What the CARES Act Means for Repayment of Federal Student Loans](#), March 28, 2020
- [Making Sense of Federal Student Loan Repayment Relief During COVID-19](#), March 24, 2020
- [Student Loan Cancellation is a Critical COVID-19 Equity Issue](#), March 23, 2020

Utilities and Bridging the Digital Divide

Federal Relief

- [FCC order](#) that no current Lifeline customer lose their service during this crisis and preserves Lifeline service for existing customers by waiving certain rules that are popular reasons for loss of Lifeline service, March 30, 2020

NCLC & Other Recommendations

- [Group letter](#) to Congress urging inclusion of expanded broadband in upcoming stimulus packages, April 30, 2020
- [Skyrocketing Utility Arrears during the Covid-19 Crisis: The Need for Substantial Federal Support](#), April 2020
- [Group letter](#) to House and Senate leadership urging Congress to provide a low-income broadband benefit as part of the forthcoming Phase 4 COVID-19 Package, April 14, 2020
Group letter to the U.S. Energy & Commerce committee urging COVID-19 emergency action to ensure affordable and accessible broadband internet for underserved Americans, April 7, 2020

Comments on behalf of Community Organizing and Family Issues to the Illinois Commerce Commission urging approval of flexible uniform, statewide credit and collections practices to ensure that customers remain connected to essential utility services, April 6, 2020

The Need for Utility Reporting of Key Credit and Collections Data Now and After the Covid-19 Crisis, April 2020

Group letter to the FCC: Emergency Request for Increased Lifeline Support During the COVID-19 Crisis, March 23, 2020

Letter to Senate leadership: Request for Low Income Home Energy Assistance Program (LIHEAP) in COVID-19 Response Bill, March 21, 2020

Group letter encouraging internet and broadband providers to lift data caps and increase data speed for low-income consumers to help bridge the digital divide, March 20, 2020

State & Local Relief

Comments on behalf of the Mass. Union of Public Housing Tenants and the Mass. Energy Directors Association, urging the Department of Public Utilities to create new post-moratorium consumer protections for utility credit and collections, April 10, 2020

MA DPU opens investigation into post-moratorium credit & collection policies, Mar. 31, 2020

NCLC filed formal requests with utility regulators to impose a moratorium on all utility shut-offs during the COVID-19 crisis in California (moratorium imposed) and Massachusetts (moratorium imposed). For a regularly updated list of moratoriums and other state responses, please see the National Association of Regulatory Utility Commissioners website.

MA, PA, and IL (electricity and gas) requesting halt of door-to-door marketing by Competitive Energy Suppliers.

NCLC Recommendations


Press release: Covid-19 Crisis: Advocates Call for U.S. Governors to Take Immediate Action to Ensure Residents are Protected from Utility Shut Offs, March 27, 2020

Training and Conferences at NCLC

All information will be updated on our Conferences or Workshops pages.

NCLC’s Mortgage Conference will be an online webinar series from June 15 - 18, 2020, due to the ongoing public health crisis and our emphasis on the safety of conference attendees.

NCLC’s annual Consumer Rights Litigation Conference will be November 19-22 in Atlanta.

Additional Resources

Consumers

For consumers needing legal help, please visit NCLC’s website for a list of resources on how to get legal assistance.
How the Lifeline Program Can Help Vulnerable Consumers Connect to Voice and Internet Service after a Natural Disaster

March 2018

The federal Lifeline program helps low-income households afford voice and broadband internet service. After Hurricane Katrina, Lifeline cell phone service helped economically fragile families displaced by natural disaster connect once again to the outside world to access disaster assistance, employers, family, and community to begin the process of rebuilding their lives. Immediately after a natural disaster, access to voice, texting, and internet service is critical to connect consumers to emergency services, shelter, and medical care. However, families with limited income who are displaced from their home or have otherwise lost access to their phone service may not have the discretionary income on hand to purchase essential voice and data service and a handset. Households that have experienced a dramatic loss of income may, for the first time, qualify for Lifeline service. The Lifeline program provides low-income households with a monthly $9.25 subsidy for voice and/or broadband service to help low-income households. This modest subsidy can go a long way.

The most popular Lifeline product is a wireless voice and data bundle that could be helpful for those who are displaced immediately following a natural disaster. It is a wireless prepaid service that does not require a deposit or good credit score and does not have a monthly bill. The monthly $9.25 covers a set allotment of voice and/or data which is currently at least 750 minutes a month and/or 1GB of data (these amounts increase each year per the Lifeline minimum standards). These wireless Lifeline providers often provide the consumer with a free handset (not covered by the federal Lifeline subsidy). If extra voice or data is needed during the month, consumers can purchase additional voice or minutes from the particular Lifeline service provider. There are also Lifeline products that are more traditional, like wired local phone service to the home, where the $9.25 is a
discount off the monthly bill. The Lifeline program was recently updated to include broadband service. The marketplace for wired internet broadband to the home is in the beginning stages, so voice and wireless voice/data bundles are the most common Lifeline services.

**Who Qualifies for Lifeline**

There are two ways to qualify for Lifeline. The easier and quicker way to establish eligibility is by providing proof of enrollment in Medicaid, SNAP (food stamps), SSI (Supplemental Security Income), Federal Public Housing Assistance, Veterans Pension/Survivor Benefits, or certain low-income Tribal benefits (Bureau of Indian Affairs General Assistance, Tribally-Administered Temporary Assistance for Needy Families, income based Head Start or the Food Distribution Program on Indian Reservations). Applicants will need to provide documentation, such as a benefits letter or card (e.g., SNAP card). Lifeline enrollment is becoming automated so that in some circumstances the Lifeline determination can be made instantaneously by checking the qualifying program databases to confirm participation in a qualifying program. The second way to qualify for Lifeline is to submit proof that the household income is at or below 135% of the federal poverty guidelines.

**Finding a Lifeline Service Provider**

Currently, in almost every state, consumers apply for Lifeline service through the carrier of their choice (see the companies near me tool to find a participating carrier and a description of the Lifeline service). Note that not all phone companies and broadband providers participate in the Lifeline program, only those approved by the state's public utility commission or the Federal Communications Commission as an eligible telecommunications carrier (ETC). Lifeline households that are displaced by a natural disaster may find that they need to change Lifeline providers because they are now outside of the service area of their original provider. The Lifeline program allows consumers to change Lifeline providers for any reason. Use the company locator tool to find a new Lifeline provider. The new carrier can walk the household through the carrier change process.

**What Happens When a Consumer Applies for Lifeline**

When a consumer applies for Lifeline, there will be an immediate check to determine if the consumer’s household already has a Lifeline benefit. There will also be an immediate check of the consumer’s identity. The second step in the eligibility determination will be to verify that the consumer is either participating in a qualifying program or is income eligible.

Federal Lifeline program rules require that the Lifeline application collect specific information, such as the last four digits of the Social Security number. The information is required, so failure to fully complete the application will result in a denial of Lifeline benefits. The Lifeline benefit is a household benefit, so any adult in the household can be the applicant. The federal rules also require that the consumer provide specific certifications (for example, that they do not already have Lifeline service). See page 4 in the Lifeline application. This standardized Lifeline application form will be required by July 2018. Applicants will be given this form or, for a few more months, a form prepared by the company that looks very similar to the standard application form.

The Lifeline enrollment process will change over the next two years and the process will become more automated, quicker, and standardized so that it will be the same for everyone. NCLC will update this issue brief as the new National Eligibility Verifier process comes online. Consumers in Colorado, Mississippi, Montana, New Mexico, Utah, and Wyoming will be in the first wave of states migrating to the National Eligibility Verifier in 2018. In those states, to the extent possible, program eligibility will be automated and, instead of the Lifeline company making the eligibility
determination, it will be the Universal Service Administrative Company (USAC) a not-for profit organization that administers the Lifeline program for the Federal Communications Commission.

**Important Program Rules**

- *Federal rules limit the Lifeline benefit to one-per-household.* If the household is doubling-up with another family that has Lifeline service or in a transitional living arrangement with other households that are applying for Lifeline or have Lifeline service — common situations in natural disasters — the household will be asked to fill out an additional worksheet to demonstrate that their household is economically independent from the other Lifeline household(s) at that same address.

- Lifeline consumers can switch Lifeline providers at any time. Consumers do not need a special reason to change Lifeline providers. The federal program rules make it easy for consumers to shop with their feet and change providers.

- Companies must de-enroll Lifeline subscribers if they do not use their Lifeline service within a 30-day period as the account will be considered inactive. Consumers who lose service due to inactivity can reapply for Lifeline service through the process previously described.

- Lifeline recipients must annually recertify eligibility for Lifeline service, but the FCC can waive this rule for areas recovering from a natural disaster. For example, after Hurricanes Irma and Maria, a wireless Lifeline provider petitioned the FCC for a temporary rule waiver regarding annual certification to avoid having to de-enroll Lifeline subscribers at a time when the damage from the hurricanes made it difficult for Lifeline subscribers to receive or respond to messages regarding annual recertification deadlines. A similar waiver was granted after the California wildfires. The California Public Utility Commission requested a temporary waiver of the annual recertification rule and the rule requiring de-enrolling Lifeline consumers if they did not use their service within a 30-day period for the 13 counties affected by the wildfires in October and December 2017.

For more information, contact National Consumer Law Center Staff Attorney Olivia Wein at owein@nclc.org or (202)452-6252.

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**Need Help with Debts?**

**Don’t get burned by scammers - know the facts about debt relief!**

March 2018

[Print in PDF](#)

Debt relief is the generic name for different ways you can manage your bills. This fact sheet covers different types of debt relief and what you should watch out for. Debt relief scammers often target people in financial distress, such as those affected by a natural disaster. So people looking for assistance after a hurricane, flood, or fire should be especially cautious about scams.

**DEBT SETTLEMENT**
Companies offering debt settlement tell you to pay them instead of your creditors. They promise that if you make payments to them instead, they will settle your debts for a smaller lump sum payment once you have saved enough money in a special account.

What you should know:

- Companies charge monthly fees for debt settlement plans, often for years.
- Debt collectors will keep calling you and may even sue you if you stop paying them.
- Your bills will keep growing with interest and late fees until there is a settlement (if there ever is one).
- If a debt settlement plan works, it can take years to complete, but many people drop out because they can’t afford it.
- There are no guarantees. Your creditors don’t have to agree to accept a smaller lump sum payment, and some will not even talk to debt settlement firms.

Debt settlement is unlikely to help you resolve your debts, and you may even end up owing more than when you started.

**DEBT CONSOLIDATION**

Some companies offer to help you combine all your old bills into one new, bigger loan. They say it’s easier to make one simple payment—to them.

What you should know:

- Debt consolidation doesn’t make your debt go away. It just changes who you pay.
- The new loan may include expensive fees.
- If they don’t give you a lower interest rate on the new loan, you could end up deeper in debt.

Before you sign up for debt consolidation, know your budget. Ask what the company will charge and what services it will provide. Ask for a copy of the loan agreement and take it to someone you trust before you sign.

**DEBT MANAGEMENT PLANS**

Debt management plans are offered by nonprofit organizations that will talk with your creditors and try to lower your interest rate, waive late fees, and arrange a single monthly payment that you make to the nonprofit. The nonprofit then distributes your money among your creditors.

What you should know:

- The nonprofit charges monthly fees, often for years. Some nonprofits make a lot of money from these fees.
- A debt management plan takes years to complete successfully.
- Many people drop out because they can’t afford the payments.
- Ultimately you will still pay off the full amount of your bills, just with less interest and fewer penalties.

Debt management plans are not right for everyone but, if you can afford them, they’re safer than debt settlement. Ask about the fees. Ask what happens to your bills if you drop out. Make sure that the group offering the debt management plan is a nonprofit—ask if they are a “501(c)(3).” Then ask around to see if the nonprofit is trustworthy, and read any reviews with the Better Business Bureau. Consider whether you can afford the fees and monthly payments.
NONPROFIT CREDIT COUNSELING

Some nonprofit organizations will help you work out your budget and give you financial advice.

What you should know:

- Nonprofits may charge a small fee for credit counseling services.
- Some nonprofits recommend debt management plans (discussed previously).
- Starting with a nonprofit credit counselor for free (or low cost) financial advice can be a great way to start working on your debt.

BANKRUPTCY

Bankruptcy is a way to eliminate or manage your debts through the courts. There are two kinds:

- Chapter 7 forgives most debts and stops collection actions instantly. Most consumers get to keep the things they own, though occasionally they have to give up some things to repay creditors.
- Chapter 13 includes a plan to repay creditors a portion of what is owed. It takes 3 to 5 years to complete, though consumers are protected from collection during that time.

What you should know:

- The court charges a filing fee and you usually need a lawyer, which can be expensive.
- If you do not complete a Chapter 13 bankruptcy, you will still owe what has not been paid during the case.
- Student loan debts are usually not forgiven in bankruptcy.
- Bankruptcy won’t make your home mortgage or auto loan go away if you want to keep the property, but you can use Chapter 13 to get out of default.

Bankruptcy is a good option for some people. You may want to talk to a nonprofit credit counselor first. Most bankruptcy attorneys will meet with you free the first time. Bankruptcy petition preparers (nonlawyer typing services) cannot legally represent you in a bankruptcy or give you legal advice. To find a bankruptcy lawyer, visit the National Association of Consumer Bankruptcy Attorneys website and click on “Find an Attorney” (see top toolbar) at: https://www.nacba.org.

SELF HELP

You may be able to get the help you need by talking to your creditors directly instead of hiring someone else to do this for you.

What you should know:

- If you have medical debt, nonprofit hospitals are required to have financial assistance plans. Ask if your doctor has financial assistance and if you qualify.
- Explain why you’re having trouble paying and ask if they will accept less, waive old fees, lower your interest rate, or give you an affordable payment plan.
- State and federal laws protect some types of income from debt collectors. Tell your creditor if your only source of income is government benefits, such as Social Security. The creditor may voluntarily stop collections.
- If job loss, illness, injury, death of a family member, divorce, or other hardship prevented you from paying your debts, creditors may delay collection, accept a lower amount, or offer more affordable payment options.
Talking to creditors can be scary, but it is worth trying before considering other, more expensive options.

**DEBT RELIEF ON THE INTERNET AND FROM TELEMARKETERS**

Lots of places advertise that they can help you with your debts. But some of their offers are too good to be true. Instead, they might be out to take your money and leave you in deeper trouble.

**What you should know:**

- Some ads on the internet are outright scams.
- Some websites offering help may not be who they say they are. Instead, some of them are a type of business called a “lead generator.”
- Lead generators collect your information and sell it to other companies—so you don’t know who will end up with it, whether they’re trustworthy, or what they’re really offering.
- They make money off you but don’t give you anything in return.

It’s OK to search for help on the Internet, but be careful. If you find an organization you like, check them out before you sign up. Search for complaints. Ask to see their contract and promises on paper before you sign anything. And never give anyone your bank account number, credit card number, or social security number unless you’re 100% sure it’s safe.

Follow the same precautions with telemarketers who offer debt relief. Many debt relief scams rely primarily on telemarketing to draw people in.

**STUDENT LOAN DEBT RELIEF**

Some companies promise to lower your student loan payments or enroll you in a forgiveness program. These companies promise that if you sign up with them, they can help you solve your student loan problems. These companies use a one-size fits all approach and often charge exorbitant amounts of money for programs that federal student loan borrowers can already access for free.

**What you should know:**

- Many of the programs promised are already available to federal borrowers for free from the U.S. Department of Education. Learn more at: [https://studentaid.ed.gov](https://studentaid.ed.gov).
- Federal student loan borrowers can find out who to contact about their student loans through the U.S. Department of Education at: [https://nsldsfasd.ed.gov/nslds_FAP/](https://nsldsfasd.ed.gov/nslds_FAP/).
- Many debt relief companies have you send your monthly loan payments to them. They then keep a portion of the payment for themselves.

Sometimes people need help dealing with their student loans. Borrowers looking to lower their monthly payments should contact their servicers. Borrowers in default may benefit from legal assistance to find out how to get back on track. Borrowers can find referrals for legal assistance at: [http://www.studentloanborrowerassistance.org/resources/referral-resource/legal-resources](http://www.studentloanborrowerassistance.org/resources/referral-resource/legal-resources).

**ADDITIONAL RESOURCE**

Precise, practical, and hard-hitting advice from the nation’s consumer law experts on how to manage financial difficulty.

Print in PDF

Michigan Foreclosure Prevention Project

Mortgage Servicing Litigation Guide

by the National Consumer Law Center©

A. Checklists and Charts

1. Checklist for Tracking Compliance with the RESPA Loss Mitigation Rules (MS Word)
2. Checklist for reviewing RESPA Loss Mitigation Notices to Borrowers (PDF)
3. Mortgage Servicing Claims Chart (PDF)
4. Call Log for Pending Loss Mitigation Application (MS Word)

B. Sample Qualified Written Requests

1. Sample RFI About a Loss Mitigation Application (MS Word)
2. Sample RFI to Obtain Identity of Mortgage Owner (PDF)
3. Sample NOE and RFI for a Client Who has Filed for Bankruptcy (MS Word)
4. Sample NOE for Dual Tracking Violations (PDF)
5. Sample Second NOE (Jeff Golant) (PDF)

C. Sample Complaints

1. Complaint regarding loss mitigation; failure to get to complete app, timely evaluate - Mary and Steve Client (MS Word)
2. Complaint regarding failure to respond to a QWR/identify holder of a loan - Bonnie Walters (MS Word)
3. Complaint regarding failure to timely credit payments, send monthly statements, respond to NOE re payment application - Jane and John Doe (MS Word)
4. Complaint raising RESPA claims on behalf of a successor in interest - Complaint in Frank v. JP Morgan Chase (PDF)
5. Complaint regarding failure to correct an error - Renfroe v. Nationstar (PDF)
6. Complaint regarding failure to respond to a QWR identifying loan mod error - Sutton v. Citi (PDF)
7. Complaint regarding failure to respond to a QWR and FCRA Claims - White v. Green Tree (PDF)
8. Complaint regarding payment application and QWR - Hastings v. Ocwen (PDF)

D. Legal Authority and Argument

1. Brief on RESPA Damages Issues (MS Word)
2. Brief on Negligent Servicing (MS Word)
3. Brief regarding dual tracking/complete application - Alexander v. Driscoll (PDF)
4. **Brief regarding loss mitigation rules** - Johnson v. Ocwen (PDF)
5. **Making the Most of NOEs and RFIs** (PDF)
6. **Stopping Foreclosures with the RESPA Servicing Rules** (PDF)
7. **Servicing Transfers During Loss Mitigation** (PDF)
8. **Payment Application Issues** (PDF)

**E. Sample Discovery Requests**

1. **Interrogatories in a case involving failure to respond to a QWR asking for identity of the loan holder** (MS Word)
2. **Requests for Production in a case involving failure to respond to a QWR asking for identity of the loan holder** (MS Word)
3. **Requests for Admission in a case involving failure to respond to a QWR asking for identity of the loan holder** (MS Word)
4. **Interrogatories in a case involving payment application issues** (MS Word)
5. **Requests for Production in a case involving payment application issues** (MS Word)
6. **Requests for Admission in a case involving payment application issues** (MS Word)

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**Carol’s Story**

**How Project Stay Connected and NCLC Helped Keep the Lights and Heat On**

The odds were stacked against Carol D. As a low-income, disabled, elderly widow living in an all-electric home, Carol thought that with all the personal and financial hardships she was facing, her utility company would surely help when she fell behind on her electric bill. Instead, the Billerica, Massachusetts resident found herself in court for utility bills she could not afford to pay. National Grid had sent Carol a letter about its arrearage management program (AMP) – a financial assistance program for low-income customers with overdue utility bills. Yet, Carol set aside the letter because she simply did not understand the complicated language.

In her own words: “I just glanced at the first letter and didn’t take the time to comprehend. I was upset with them [National Grid] because I had called them several times about getting put on a budget program and they’d say things like, ‘well you have to put $2,400 down and pay $600 every month plus your bill’, and I said, ‘I just can’t do that. The last time I called, was after National Grid brought me to court, and I’d been in and out of court for a year or so. They told me I had to pay $4,500 and budget the $4,500 I would still owe. I couldn’t afford to pay them $4,500. I was just so upset. I wanted my day in court.”

A local senior citizen’s center referred Carol to National Consumer Law Center attorney Charlie Harak (pictured at Carol’s home). Carol was already being sued by a collection firm by the time she called NCLC. Attorney Harak contacted National Grid’s General Counsel and convinced her that the company should direct the outside collection firm to dismiss the lawsuit, so long as Carol agreed to enter the Arrearage Management Program. After discussing the AMP program with Attorney Harak, Carol went back and found the letter she received from National Grid and enrolled in the program. Thanks to the intervention of Attorney Harak, the logjam was resolved and Carol successfully
registered for the program. Carol has remained in the program and also received assistance in managing her bills to ensure she keeps her heat and electricity on.

NCLC works closely with utility regulatory commissions, utility companies, and advocates for public policy changes so that low-income households can move beyond worrying whether their utility services will be shut off. More affordable utility service lowers overall housing costs, decreases homelessness and frees up resources that can pay for food, medicine, mortgage or rent payments, transportation to work, educational expenses, and other essentials.

1) Gas & Electricity Discount Rates

NCLC advocates were instrumental in getting Massachusetts to adopt low-income gas and electric discount rates which provide tens of millions of dollars annually in benefits to low-income residents of the state. NCLC has also successfully advocated for increasing the income eligibility limit for the discounts and the percent amount of the discount.

2) Arrearage Management Programs

In 2005, NCLC successfully advocated for a measure that required all Massachusetts utilities to offer pilot “arrearage management programs” to low-income customers. Under these programs eligible customers pay only their current bills, and for each payment the customer makes the utility applies a credit against the outstanding arrearage due for past bills. If the low-income customer keeps up with the current bill, eventually the utility’s credits will reduce the arrearage to zero.

There are now more than 20,000 households enrolled in arrearage management programs in Massachusetts. This forgiveness program brings dignity to low-income seniors, individuals, and families by helping them manage their bills. And utility companies recover money they likely would not have received.
3) Low-Income Weatherization Programs

NCLC provides advice and support to the Massachusetts nonprofits that deliver a range of energy efficient weatherization services to low-income households and advocates for adequate funding for the national weatherization assistance program. Weatherizing a home reduces a household’s energy bills by 25% or more, making the cost of heating and cooling a home much more affordable.

- Related publication: *Stimulus Program Shines but Storm Clouds Are on the Horizon*, Nov. 2012

4) Wireless Phone Services for the Homeless

NCLC is a national leader in advocating for changes to the federal telephone assistance program, Lifeline, so that homeless people can benefit from a subsidized wireless phone. Telephone service is essential for finding work and housing, and connecting with employers, social services, schools, medical care and emergency services; and for strengthening ties to family, friends and the larger community.

NCLC’s leadership has improved access to Lifeline for the homeless by successfully advocating for eligibility rules that allow shelter residents, those in transition housing and group housing, and those that have doubled up with other families to access the Lifeline benefit. We continue to fight for minimum standards for wireless Lifeline phones to ensure a quality product, participate in state Lifeline proceedings and coordinate advocacy at the state and federal level for better wireless Lifeline products.

Utilities Advocacy Training

Through Stay Connected, NCLC attorneys conduct trainings for non-attorney advocates and frontline social service workers to help low-income Massachusetts residents avoid termination of their utility services. Advocates learn the eligibility requirements for electric utility discounts, how to prevent service from being shut off, and how to restore service if it was terminated.

**In-person Trainings**
To schedule a training in Massachusetts, please e-mail jmclaughlin@nclc.org.

**Online Video Training**
Advocates may also watch the training online (see below).
You will need the following materials, provided below:
1. Training handouts (referred to by color and/or title during the training).
2. Download *Utilities Advocacy for Low-Income Households in Massachusetts* (print as many copies as needed).

Training Handouts

- [Training Outline (Light Blue)]
- “Who you gonna call?” on utilities cases (Dark Blue)
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**Stay Connected**

![Project Stay Connected](image)

Project Stay Connected helps low-income people to maintain heating, electricity, gas, and phone services. NCLC provides training and case advice for front-line social service workers and advocates in Massachusetts.

**Read how Project Stay Connected helped Carol**

We also advocate for more consumer-friendly rules and practices regarding shut-offs of utility services, promote discount rates and reasonable payment plans, and seek adequate funding for the fuel assistance and weatherization programs.
Project Stay Connected is made possible through the generous support of The Boston Foundation, and an anonymous funder.

**Stay Connected Training** || **Public Policy Reforms**

Related NCLC Publications:

**For Advocates**

- **Utilities Advocacy for Low-Income Households in Massachusetts 2019** (free e-book)
- **Access to Utility Service, 2018 6th edition** (legal treatise for attorneys)

**For Consumers**

- **Keeping the Heat and Lights On**, 2013
- **Mantener La Calefaccion y Las Luces Encendidas**, 2013

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**Sustainable Homeownership**

**HOT TOPICS**

- **Comments to HUD in response to their Proposed Rule on the Implementation of the Fair Housing Act’s Disparate Impact Standard**, Oct. 18, 2019
- **Press release: Public Interest Groups Applaud FHFA Move to Expand Resources for LEP Borrowers**, Oct. 16, 2018  **Leer en Español.**

**Policy Analysis**

Policy Briefs, Reports, & Press Releases

- **Press release: Public Interest Groups Applaud FHFA Move to Expand Resources for LEP Borrowers**, Oct. 16, 2018  **Leer en Español.**

**Comments**

- **Group comments** to federal banking regulators OCC and FDIC re: Notice of Proposed Rulemaking, Community Reinvestment Act, April 8, 2020
- **Comments to HUD in response to their Proposed Rule on the Implementation of the Fair**
Letters

- **NCLC letter to the Office of the Comptroller of the Currency opposing proposed changes that will weaken the Community Reinvestment Act**, Jan. 28, 2020
- **Coalition letter** to Rep. Green supporting a bill requiring the Federal Housing Finance Agency to include language preference on the Uniform Residential Loan Application, Oct. 22, 2019
- **Coalition letter** urging House members to oppose CFPB rollbacks of fair lending oversight, June 4, 2019
- **Coalition letter** to the CFPB urging the agency to re-issue the Notice of Proposed Rulemaking (NPRM) and the Advanced Notice of Proposed Rulemaking (ANPR) regarding the Home Mortgage Disclosure Act (HMDA) and hold 90 day public comment periods, May 13, 2019
- **Group letter** to the Federal Housing Finance Agency (FHFA) supporting recent language access progress made at the agency, April 18, 2019
- **Coalition letter** urging Congress to prioritize civil rights in upcoming privacy legislation, Feb. 13, 2019
- **Coalition letter to U.S. Housing and Urban Development Secretary Carson opposing the possibility of amending HUD’s mission statement to remove references to creating “inclusive and sustainable communities free from discrimination.”**, March 8, 2018
- **Letter opposing suspension of the Affirmatively Furthering Fair Housing (AFFH) rule**, March 6, 2018
- **Letter to FHFA regarding URLA and Language Access Implementation**, Feb. 16, 2018

Litigation & Amicus Briefs

- **Horne v. Harbour Portfolio**, Unites States District Court for the Northern District of Georgia
  - **Horne et al v. Harbour Portfolio et al. Second Amended Complaint** (N.D. GA)
  - **Horne et al v. Harbour Portfolio et al. Third Amended Complaint** (N.D. GA)
  - **Opposition** to Defendant Harbour’s Motion to Dismiss Second Amended Complaint
  - **Opposition** to Defendant NAA’s Motion to Dismiss Second Amended Complaint
  - **Order** on Motion to Dismiss Second Amended Complaint (N.D. GA)
- **Connecticut Fair Housing Center, Inc. vs Liberty Bank Case No. 18-1654** || **Press Release** and **Complaint**, **Settlement Agreement** and **Press Release**
- **National Fair Housing Alliance (NFHA) v. HUD**, **Amicus brief** || **Appendix A**
- **Bank of America, et al v. City of Miami** (United States Supreme Court, 2016), **Amicus Brief**
**Equitable Access to Broadband, Media, and Telecom Services**

**Policy Analysis**

**Comments, Letters, & Testimony**

- [Group letter](#) urging Congress to address civil rights and privacy, April 19, 2019

[More Comments, Letters, & Testimony >>>](#)

**Litigation**

- [Amicus brief](#) in *Comcast v. NAAOM* urging the Court to affirm the Ninth Circuit’s ruling denying Comcast’s motion to dismiss, Sept. 30, 2019