

Renewed Call for Credit and Debt Protections to Address Financial Distress From COVID-19

May 1, 2020

Dear Member of Congress,

Millions of people and small businesses in the United States are experiencing tremendous financial distress because of the COVID-19 pandemic. Unemployment is skyrocketing and families are struggling to put food on the table. Congress and the administration need to enact broad-based, efficient, and effective relief that goes far beyond the CARES Act to protect people's homes, cars, bank accounts, income, and benefits so that they can weather this crisis. These measures should include:

Imposing a moratorium on all foreclosures and evictions for the duration of the pandemic.

This moratorium should apply to all types of mortgages and all kinds of housing, including cooperatives and manufactured homes, whether titled as real or personal property. Protecting every home is necessary for families to follow social distancing protocols. The moratorium should also extend to commercial and mixed use properties to protect small businesses from losing their place of business.

Stopping termination of utility services. Shut-offs of water/sewer, gas, electricity, telecommunication services and broadband, along with late fees and penalties, should be suspended during this emergency for all consumers and small businesses. Disconnected customers should be reconnected to these essential services immediately so that households can remain safely in place.

Halting all debt collection activity. Debt collection activity by collectors, creditors, and government entities should be suspended. Debt collectors should not be allowed to start new lawsuits and pending cases should be stayed. All new and existing garnishments, setoffs, and car repossessions should be stopped, and all requests to stop automatic payments should be promptly honored.

Preventing predatory lending. Predatory lenders are likely to use the crisis as an opportunity to take advantage of vulnerable consumers and small businesses facing acute financial distress and profiteer off exploitative high-cost loans. Interest rates on any new credit extended during the emergency should be capped and there should be clear and enforceable prohibitions against predatory lenders and other profiteers taking advantage of people during a health crisis and severe economic stress.

Preventing accrual of additional fees and interest. No late fees, default interest or compounding interest should accrue for any debt until the pandemic eases significantly and normal employment patterns resume. Banks should stop charging overdraft and nonsufficient funds fees.

Requiring payment forbearance and flexible repayment options for all types of payment obligations. Mortgage companies, landlords, banks, auto lenders, and other creditors should be

required to provide forbearances on payments for the duration of the crisis. Forbearances should remain in place for a period after the health crisis abates to allow people and small businesses to get back on their feet financially before having to begin repayment. Creditors, landlords, utility providers and others should not be allowed to demand lump sum full payment after the forbearance period, but be required to offer flexible and affordable repayment options, including forgiveness, term extensions for fixed credit obligations, reasonable repayment plans, and loan modifications.

Prohibiting negative credit reporting. No one should see their credit record harmed as a result of the pandemic. There should be a permanent moratorium on all negative credit reporting related to payments missed during the crisis and longer protections upon request for people who face lasting financial hardship from the outbreak.

Workers, communities and small businesses need greater protections from Congress to maintain their homes, cars, and finances during this public health emergency. As the country takes all measures necessary to preserve life and health, these financial protections will better enable the millions of people suffering economic hardship to get through the pandemic as safely as possible and provide them the opportunity to rebuild once the emergency is over.

Sincerely,

Americans for Financial Reform
9to5, National Association of Working Women
ACCESS
Action Center on Race and the Economy
Action Housing Inc.
Advocates for Basic Legal Equality
Advocates for Children and Youth
Alabama Appleseed Center for Law and Justice
Alaska PIRG
Allied Progress
America's Voice
American Family Voices
Anti-Poverty Network of New Jersey
Arizona PIRG
Arkansans Against Abusive Payday Lending
Arkansas Community Organizations
Asian Counseling and Referral Service
Association for Neighborhood and Housing Development
Brazos Valley Financial Fitness Center
Bucks County Women's Advocacy Coalition
California Reinvestment Coalition
CALPIRG
Center for Community Progress
Center for Digital Democracy
Center for Disability Rights

Center for Economic Integrity
Center for Indigenous People's Studies, CSBS - California State University, San Bernardino
Center for NYC Neighborhoods
Charlotte Center for Legal Advocacy
Chinese-American Planning Council (CPC)
Cleveland End Poverty Now Coalition
Coalition of Labor Union Women
Columbia Consumer Education Council
Committee in Solidarity with México
Community Economic Development Association of Michigan (CEDAM)
Community Legal Services of Philadelphia
Congregation of Our Lady of the Good Shepherd, US Provinces
Connecticut Association For human Services, Inc
Connecticut Fair Housing Center
Connecticut Legal Services, Inc.
ConnPIRG
Consumer Action
Consumer Federation of America
Consumer Reports
Consumers for Auto Reliability and Safety
Consumers for Quality Care
Convencion Bautista Hispana de Texas
CoPIRG
Corporation for Supportive Housing (CSH)
Delaware Community Reinvestment Action Council, Inc.
Demos
Director, University of Wisconsin Consumer Law Clinic
East Bay Community Law Center
Economic Justice Ministries of the United Church of Christ
Empire Justice Center
Equal Voice Action
Equality North Carolina
Fair Housing Center of Central Indiana
Fair Share Housing Center of New Jersey
Faith in Texas
Florida Consumer Action Network
Florida PIRG
Georgia PIRG
Georgia Rising
Georgia Watch
Global Policy Solutions
Greater Boston Legal Services, On behalf of its low-income clients
Greenlining Institute
Heartland Alliance for Human Needs & Human Rights
Hispanic Federation
Home Preservation and Prevention Inc, d/b/a HPP Cares

Hoosier Action
Housing and Neighborhood Development Services, Inc.
Housing Community Development Network of NJ
Housing Equality Law Project - HELP
Housing Partnerships, Inc. dba Thrive Alliance
Illinois PIRG
Indiana Catholic Conference
Indiana Institute for Working Families
Indiana PIRG
Indivisible
Innovative Changes
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
Iowa PIRG
Ironbound Community Corporation
Jesuit Social Research Institute
Justice in Aging
Kentucky Equal Justice Center
La Casa de Don Pedro
Legal Aid Justice Center
Lincoln Hills Development Corporation
Lutheran Episcopal Advocacy Ministry NJ
Main Street Alliance
Maine Center for Economic Policy
Marion County Commission on Youth, Inc. (MCCOY)
Maryland PIRG
MASSPIRG
Maui Economic Opportunity Inc
Metropolitan Milwaukee Fair Housing Council
Michigan League for Public Policy
Michigan Poverty Law Program
Missouri Faith Voices
Mobilization for Justice
Montana Organizing Project
MontPIRG
MoPIRG
Mountain State Justice
Muslim Caucus of America
Muslim Public Affairs Council (MPAC)
MyPath
NAACP
NAACP Legal Defense and Educational Fund, Inc. (LDF)
National Advocacy Center of the Sisters of the Good Shepherd
National Association for Latino Community Asset Builders
National Association of Consumer Advocates
National Center for Law and Economic Justice

National Center for Transgender Equality
National Coalition for Asian Pacific American Community Development (National CAPACD)
National Coalition for the Homeless
National Community Reinvestment Coalition (NCRC)
National Community Stabilization Trust
National Consumer Law Center (on behalf of its low-income clients)
National Employment Law Project
National Employment Lawyers Association
National Fair Housing Alliance
National Housing Law Project
National Low Income Housing Coalition
National Partnership for Women & Families
National Women's Law Center
NC Child
NCPIRG
New Economics for Women
New Jersey Applesseed Public Interest Law Center
New Jersey Citizen Action
New Jersey Tenants Organization
NHPIRG
NJ Communities United
NJPIRG
NMPIRG
North Carolina Justice Center
North Dakota Economic Security and Prosperity Alliance
Northwest Side Housing Center
Ohio PIRG
Oregon PIRG (OSPIRG)
Organize! Ohio
Our Children Oregon
PathWays PA
PennPIRG
Pennsylvania Council of Churches
Pershing Field Neighborhood Association
PFLAG National
PIRG in Michigan (PIRGIM)
Prince George's CASH Campaign
Prosperity Now
Public Citizen
Public Counsel
Public Good Law Center
Public Justice Center
Public Law Center
RAISE Texas
RESULTS DC chapter
RIPIRG

SC Appleseed Legal Justice Center
Service Employees International Union
Solita's House Inc
Statewide Poverty Action Network (WA)
Tax March
Tennessee Citizen Action
TexPIRG
The Midas Collaborative
The New Georgia Project
THE ONE LESS FOUNDATION
Tzedek DC
U.S. PIRG
undocuJersey
UNITE INDY
United Way of Greater Houston
UnKoch My Campus
Virginia Citizens Consumer Council
Virginia Organizing
Virginia Poverty Law Center
VOICE - OKC
Voices for Progress
WASHPIRG
West Virginia Center on Budget and Policy
Wisconsin Faith Voices for Justice
WISPIRG
Women Employed
Woodstock Institute
Working In Neighborhoods