



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](#)).*

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