

February 1, 2021

President Joseph R. Biden, Jr.
The White House
1600 Pennsylvania Avenue NW
Washington D.C. 20500

Re: Consumer protections for next COVID legislation

Dear President Biden,

The 85 undersigned consumer, civil rights, community, housing, faith, and other public interest organizations write to highlight critical budget-related items that would help consumers and that we urge you to include in the next coronavirus recovery package or other upcoming COVID-19 legislation.

Over the past eleven months, we have seen the COVID-19 pandemic wreak havoc on the lives of Americans. Our coalition has written [many times](#) to urge Congress to protect people's homes, cars, bank accounts, income, and benefits so that they can weather this crisis. Unemployment remains alarmingly high, and many families find themselves in precarious situations as state governments struggle to catch up with the [backlogs of unemployment applications](#). Due to underlying health and socioeconomic disparities, low- and moderate-income families and communities of color, especially Black, Latinx, and Native American communities, have been hit particularly hard by illness, unemployment, and economic instability. Women of color face intersecting inequities from health and economic disparities based on race and sex.

We hope you can achieve bipartisan consensus on [broad-based, efficient, and effective relief](#) as we have outlined before. But if the Administration chooses to use the reconciliation route, we want to emphasize these especially urgent, budget-related items, which would have an immediate impact on consumers and would drastically help alleviate the financial hardship faced by American Families:

- **Halt garnishment and offset of tax refunds, which contain stimulus payments, EITC, and Child Tax Credit payments.** While a full wage and bank account garnishment [moratorium](#) and longer-term reform of garnishments are needed, at a minimum, we must prevent reductions in this season's tax refunds. These tax refunds will include millions of stimulus payments that were not paid or received earlier, the special look-back Earned Income Tax Credit that Congress enacted, and Child Tax Credit payments. These tax refunds should not be reduced (offset) to repay federal student loans or other federal debts. In addition, they should not be garnished by debt collectors. Debt collection lawsuits that result in garnishment heavily impact [communities of color](#) and front-line workers. Protecting tax refunds from offset or garnishment will stimulate the economy, protect families by allowing the funds to be used to cover necessities as Congress intended, and mitigate the need for additional federal benefit or stimulus spending.

- **Fund a Housing Assistance Fund and housing counseling.** This funding would provide support for homeowners who need cash assistance to avoid foreclosure beyond available programs and would help stabilize the housing market and prevent unnecessary foreclosures. Support for struggling homeowners is an important step for racial equity at a time when, according to the [Household Pulse Survey](#) of the U.S. Census Bureau, 24.7% of Black borrowers and 19.8% of Hispanic borrowers are not current on their mortgage payments, compared to 8% of white borrowers.
- **Cancel student debt.** The President has the authority to cancel federal student loans without legislation, and a large and growing coalition of advocates continue to urge him to use it. Congress should consider both pausing student debt payments and providing debt cancellation to those who have been left out of the payment pause: private student loan borrowers, and those with commercially-held loans and Perkins loans. Cancelling student debt would stimulate the economy, reduce the racial wealth gap, provide much-needed stimulus to help all Americans weather the pandemic and financial crisis. To minimize the harm to the next generation and help narrow the racial and gender wealth gaps, bold and immediate action is needed to protect student loan borrowers, including Parent PLUS borrowers, by cancelling existing debt.

We urge you to include these consumer protections in the next COVID-19 relief legislation to provide families with the temporary relief they need to get through this unprecedented emergency and to provide much-needed stimulus to the economy. Although these protections will lay the foundation for more stable communities and a faster economic recovery, it is not an exhaustive list, and we continue to advocate for [broad-based relief](#). We ask that you incorporate this assistance in the next package to protect people’s financial resources as the COVID-19 pandemic continues to wreak havoc on many communities across the United States.

Thank you for your consideration. If you have any questions, please contact Linda Jun at linda@ourfinancialsecurity.org or Rachel Gittleman at rgittleman@consumerfed.org

Sincerely,

National Groups:

Americans for Financial Reform
 Association of Young Americans
 CAARMA
 Center for Community Progress
 Center for Responsible Lending
 Congregation of Our Lady of Charity of the Good Shepherd, US Provinces
 Consumer Federation of America
 Consumers for Auto Reliability and Safety
 Demos
 Esperanza
 NAACP

National Advocacy Center of the Sisters of the Good Shepherd
National Association for Latino Community Asset Builders
National Association of Consumer Advocates
National Association of Consumer Bankruptcy Attorneys (NACBA)
National Center for Law and Economic Justice
National Consumer Law Center (on behalf of its low income clients)
National Employment Law Project
National Fair Housing Alliance
National Housing Resource Center
National Urban League
Prosperity Now
Public Citizen
Public Counsel
Public Good Law Center
Public Justice
Sciencecorps
SPLC Action Fund
Student Borrower Protection Center
Student Debt Crisis
UnidosUS
Woodstock Institute

State Groups (alphabetical by state):

Alabama Arise
Alaska PIRG
Alaska Poor People's Campaign
Center for Economic Integrity (AZ)
Arkansas Community Institute
Arkansas Community Organizations
California Reinvestment Coalition
East Bay Community Law Center (CA)
Housing and Economic Rights Advocates (CA)
Public Law Center (CA)
Western Center on Law & Poverty (CA)
Connecticut Fair Housing Center
Legal Aid Society of the District of Columbia
Save Us Now Inc (DC)
Tzedek DC
Delaware Community Reinvestment Action Council, Inc.
Florida Silver Haired Legislature
Jacksonville Area Legal Aid, Inc. (FL)
Georgia Watch
New Georgia Project
Chicago Consumer Coalition
CrescentCare (LA)

Public Justice Center (MD)
Greater Boston Legal Services (on behalf of its low-income clients)
Massachusetts Communities Action Network
Massachusetts Law Reform Institute
Public Higher Education Network of Massachusetts (PHENOM)
Michigan Poverty Law Program
Legal Services of New Jersey
New Jersey Citizen Action
CAMBA, Inc. / CAMBA Legal Services, Inc. (NY)
Center for NYC Neighborhoods, Inc.
District Council 37 Municipal Employees Legal Services (NY)
Empire Justice Center (NY)
JASA/Legal Services for Elder Justice (NY)
Mobilization for Justice (NY)
New Economy Project (NY)
NHS Brooklyn, CDC, Inc
The Legal Aid Society (NY)
Charlotte Center for Legal Advocacy (NC)
Ohio Student Association
Community Legal Services of Philadelphia
Philadelphia VIP
South Carolina Appleseed Legal Justice Center
South Carolina State Conference NAACP
Neighborhood Health (TN)
Every Texan
Texas Appleseed
United Way of Southern Cameron County (TX)
Vermont Legal Aid, Inc.
Legal Aid Justice Center (VA)
Virginia Citizens Consumer Council
Mountain State Justice (WV)