

## **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