

Debt Obligation Assistance During the COVID-19 Pandemic

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The COVID-19 pandemic is affecting every aspect of the economy. Many businesses, consumers and borrowers are worried about meeting debt or payroll obligations. Bailey Glasser has the resources and experience to help you assess your needs during this difficult time. Below is a list of a few options currently available to help you deal with the economic fallout of this pandemic.

Debt Collections If you currently have a debt in collections, you can work with collectors to identify a realistic repayment plan. The Consumer Financial Protection Bureau offers a number of resources for contacting and negotiating with debt collection companies.

Some cities and states have put a halt to their own debt collections. For example, the State of New York has temporarily halted the collection of medical and student debt owed to the State and referred to the Office of the Attorney General for collection. And the City of Chicago has halted the city's debt collection and ticketing practices to give low-income residents relief during the coronavirus outbreak.

Student Loans The US Department of Education announced that federal student loan payments can be suspended for 60 days without penalty beginning March 13, 2020. Borrowers should contact their loan servicer to request this administrative forbearance.

Additionally, effective on March 13, 2020, all borrowers with federally-held student loans automatically had their interest rates set to 0% for at least 60 days.

Mortgages, Foreclosures, and Utility Payments

Borrowers who anticipate having trouble making their next mortgage payment should call their loan servicer to learn about available options. They could be eligible for a forbearance or another form of short-term immediate mortgage relief.

DEBT OBLIGATION ASSISTANCE DURING THE COVID-19 PANDEMIC

Effective March 18, 2020, the Department of Housing and Urban Development (HUD), and the Federal Housing Finance Agency ordered the suspension of foreclosures and evictions for Fannie Mae- and Freddie Mac-backed loans for at least 60 days. The Department of Veterans Affairs (VA) has strongly encouraged servicers to observe a 60-day foreclosure moratorium beginning March 18.

Numerous counties are also suspending sheriff's sales and evictions indefinitely due to the COVID-19 outbreak. And because courts are temporarily shutting down across the country, foreclosure hearings are likewise being postponed.

Finally, many states have ordered a moratorium on utility shutoffs. Some utility companies have also voluntarily implemented a shutoff moratorium. To find a regularly-updated list of states and companies that have implemented disconnection suspensions, go to the Energy and Policy Institute website and also the Federal Communications Commission website. Bailey Glasser stands ready to help you access these programs to ensure the long term viability of your business or obligation.

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