

# Guide for Consumers Struggling to Repay their Debts During the COVID-19 Pandemic

Illinois consumers should be aware of the resources designed to help them manage financial difficulties caused by the COVID-19 pandemic. The options available depend on the type of debt you have and who your lender is. Below is a summary of some of the major relief options for mortgages, student loans, and other types of debt that might be available to you and places that you can go for help.

## IF YOU ARE STRUGGLING WITH YOUR MORTGAGE OR RENT PAYMENTS

### IMPORTANT ACTIONS TAKEN IN ILLINOIS AND AT THE FEDERAL LEVEL TO ASSIST HOMEOWNERS AND RENTERS

**Illinois has suspended evictions from homes and rental units.** On March 20, 2020, Governor Pritzker issued an Executive Order suspending evictions from homes and rental units. On April 23, 2020, the Governor Issued an Executive Order prohibiting the commencement of residential eviction proceedings. The order also prohibits the enforcement of non-residential eviction orders. The moratorium is in effect **until May 29, 2020**. During this time your landlord or lender cannot evict you from your home or apartment.

**The federal CARES Act provides protections for rentals.** Under the CARES Act, any residential rental property that is subject to a federally insured mortgage (e.g., Fannie Mae or Freddie Mac) or participates in federal assistance program (e.g., public housing, Housing Choice Vouchers, Section 8 Project-Based Rental Assistance, rural housing programs, or the LIHTC program) is subject to a 120-day moratorium on evictions, or until July 25, 2020. The CARES Act prohibits landlords from: (1) filing an eviction action for nonpayment of rent or other fees or charges and (2) charging fees or penalties related to the nonpayment of rent. Tenants may not be served with an eviction notice until July 25, 2020, and the notice must give the tenant 30 days to vacate the property.

**IDFPR calls on all lenders and servicers to offer a 90-day forbearance on mortgage payments.** IDFPR has strongly urged all mortgage lenders and servicers to grant 90 days of forbearance to any qualifying borrower struggling to make payments as a result of the COVID-19 pandemic.

**Forbearances or modifications to monthly loan payments may be available from your mortgage lender.** Specific rights have been established by the federal CARES Act to help borrowers who have certain types of mortgages. The relief you may be able to receive depends on the type of mortgage you have.

- **Single Family Home Loans Financed by Fannie Mae and Freddie Mac:** The following mortgage relief options may be available to borrowers experiencing a hardship, such as job loss, income reduction, or sickness, related to the COVID-19 pandemic:
  - a. Payment relief through a forbearance plan offering a reduction or suspension of mortgage payments for up to 180 days plus an extension of up to an additional 180 days
  - b. Relief from late fees, penalties, and interest (beyond scheduled amounts) during the forbearance plan period
  - c. Prohibition against the initiation of any foreclosure process, movement for a foreclosure judgment or order of sale, or execution of a foreclosure-related eviction or sale for not less than the 60-day period beginning on March 18, 2020 (except for vacant and abandoned properties)
  - d. Repayment options following forbearance, including a repayment plan to catch up gradually or a permanent loan modification that aims to maintain or reduce your monthly payment
- **Multifamily Home Loans Financed by Fannie Mae and Freddie Mac:** Forbearance on multifamily home loans on the condition that borrowers suspend all evictions for renters struggling to pay rent due to the COVID-19 pandemic and do not charge any late fees, penalties, or other charges to such renters for late payment of rent, in accordance with the federal CARES Act
- **FHA/HUD and Reverse Mortgages for Seniors:** Borrowers of FHA single family loans experiencing a financial hardship related to the COVID-19 pandemic may be entitled to the following mortgage relief options:
  - a. Payment relief through a forbearance plan offering a reduction or suspension of mortgage payments for up to 180 days plus an extension of up to an additional 180 days
  - b. Relief from late fees, penalties, and interest (beyond scheduled amounts) during the forbearance plan period
  - c. Prohibition against the initiation of any foreclosure process, movement for a foreclosure judgment or order of sale, or execution

of a foreclosure-related eviction or sale for not less than the 60-day period beginning on March 18, 2020 (except for vacant and abandoned properties)

- d. Repayment options following forbearance, including a new deferred repayment option for borrowers following a COVID-19 forbearance

The FHA has also suspended evictions and foreclosures for 60 days and announced a 6-month extension on due and payable requests for reverse mortgages for seniors.

➤ **Veterans Administration loans:** Borrowers of VA loans experiencing a financial hardship related to the COVID-19 pandemic may be entitled to the following mortgage relief options:

- a. Payment relief through a forbearance plan offering a reduction or suspension of mortgage payments for up to 180 days plus an extension of up to an additional 180 days
- b. Relief from late fees, penalties, and interest (beyond scheduled amounts) during the forbearance plan period
- c. Prohibition against the initiation of any foreclosure process, movement for a foreclosure judgment or order of sale, or execution of a foreclosure-related eviction or sale for not less than the 60-day period beginning on March 18, 2020 (except for vacant and abandoned properties)
- d. Repayment options following forbearance
- e. If you are a veteran that has questions about your mortgage options, please contact the St. Paul VA Regional Office at **1-877-827-3702**

➤ **Any other type of other mortgage loan that is not a federally guaranteed loan:** While IDFPR is urging all mortgage servicers to defer mortgage payments for 90 days for those who are suffering hardship as a result of the COVID-19 pandemic, borrowers should also directly contact their state bank or credit union if that is where their mortgage is held.

- **Banks** - For a list of individual modification programs visit this link <https://www.aba.com/about-us/press-room/industry-response-coronavirus>.
- **Credit Unions** - are also offering modifications. Check with your credit union to see if they are participating or visit <https://www.icul.com/covid-19-best-practices-2/>.

## **ACTIONS YOU CAN TAKE AND PLACES YOU CAN CALL FOR HELP WITH MORTGAGE OR HOUSING QUESTIONS**

If you are able, you can continue to make your monthly payments. If you are struggling to make your monthly payment contact your lender and mortgage servicer immediately to learn about their payment or relief programs. You can contact the following for additional assistance:

**A HUD certified housing counselor** - You can go to [www.HUD.com](http://www.HUD.com) to find a counselor near you.

**A Legal assistance agency** - You may consider contacting a legal assistance agency for the rights of renters, or visit <https://www.carpls.org/client-services/>

**The Illinois Attorney General's Mortgage Helpline - 1-866-544-7151**

Contact the Illinois Department of Financial and Professional Regulation: **1-888-473-4858**

**You can file a consumer complaint.** If you believe you are not being treated properly by your mortgage servicer, you may either file a complaint with:

- Illinois the Attorney General's Office  
<https://illinoisattorneygeneral.gov/consumers/filecomplaint.html>
- IDFPR  
<https://www.idfpr.com/admin/banks/DoBcomplaints.asp>
- Consumer Financial Protection Bureau  
<https://www.consumerfinance.gov/complaint/>

## **IF YOU ARE STRUGGLING TO MAKE YOUR STUDENT LOAN PAYMENTS**

Due to recent changes contained in the federal CARES Act, there is help for students struggling with payments during the COVID-19 pandemic for federal student loans held by the US Department of Education. You should know that:

**Interest is not being charged.** Interest rates on federal student loans are automatically reduced to 0% until September 30, 2020.

**Payments are temporarily suspended.** Repayment on federal student loans is automatically suspended until September 30, 2020. You may still make payments during this period if you chose.

**Your credit will not be harmed during this period.** Credit reporting will take place as if you were making timely payments.

**Borrowers working towards Public Service Loan Forgiveness.** If you have a Direct Loan, were on a qualifying repayment plan prior to the suspension, and work full-time for a qualifying employer during the suspension, then you will receive credit toward PSLF for the period of suspension as though you made on-time monthly payments.

For borrowers who are in federal student loan collections:

**Involuntary collection activity is automatically suspended.** Involuntary collection activity on federal student loans including wage garnishments and offsets from social security and tax refunds will be automatically suspended until September 30, 2020.

**Rehabilitation payments made by borrowers in default are suspended.** If you are in an agreement to rehabilitate your loan, those payments are automatically suspended until September 30, 2020. The time your payments are suspended will count towards fulfilling your agreement.

**Tax or Social Security offsets and wage garnishments after March 13, 2020, will be refunded.** If you had funds offset or withheld on or after March 13, 2020 to September 30, 2020, you will have your money automatically returned to you. At least \$1.8 billion will be refunded by the US Department of Education to 830,000 borrowers in money that has been previously subject to offset if the offset or garnishment.

## **ADDITIONAL RELIEF FOR BORROWERS WITH COMMERCIALY-OWNED FFELP LOANS AND PRIVATE STUDENT LOANS**

The relief to federal student loan borrowers under the CARES Act only applies to some federal loans. You will receive these benefits if you have a Direct Loan or a FFELP loan that is managed by the US Department of Education. There are many federal FFELP loans that are still held by private lenders. In addition, these benefits will not apply to any other type of private student loan you have.

**IDFPR has secured relief for additional Illinois student loan borrowers.** Under this new initiative with many student loan servicers, Illinoisans with commercially-owned Federal Family Education Program Loans or privately held student loans who are struggling to make their payments due to the COVID-19 pandemic will be

eligible for expanded relief. **Borrowers in need of assistance must immediately contact their student loan servicer to identify the options that are appropriate to their circumstances.** Relief options include:

- Providing a minimum of 90 days of forbearance
- Waiving late payment fees
- Ensuring that no borrower is subject to negative credit reporting
- Ceasing debt collection lawsuits for 90 days
- Working with borrower to enroll them in other borrower assistance programs, such as income-based repayment.

## **HOW TO CONTACT YOUR SERVICER IF YOU ARE STRUGGLING AND HOW TO DETERMINE WHAT TYPES OF LOANS YOU HAVE**

**Determine the types of federal loans you have and who your servicer is.** To find out if you have a federal student loan, visit the Department of Education's National Student Loan Data System (NSLDS) at [nslds.ed.gov](https://nslds.ed.gov) or call the Department of Education's Federal Student Aid Information Center at **1-800-433-3243** or **1-800-730-8913** (TDD).

**Contact your servicers as soon as possible.** Contact your student loan servicer as quickly as possible if you are having trouble making your payments. Servicers can assist you to select the repayment option that best fits your financial circumstances, including income-based repayment options for federal student loans. Options for private student loan borrowers depend on your lender.

**If you are having trouble with your student lender or servicer, you can file a complaint.** Borrowers experiencing trouble with their student loan servicers are encouraged to contact the following:

- Contact the IDPFR Division of Banking **217-785-2900** for information or to file a complaint with IDPFR

<https://www.idfpr.com/admin/banks/DoBcomplaints.asp>

- Contact the Attorney General's Student Loan Helpline at **1-800-455-2456** or file a complaint with the Office of the Illinois Attorney General

<https://illinoisattorneygeneral.gov/consumers/filecomplaint.html>

- Consumer Financial Protection Bureau

<https://www.consumerfinance.gov/complaint/>

## **IF YOU ARE SEEKING OR STRUGGLING TO REPAY A PAYDAY, INSTALLMENT, TITLE, OR AUTO LOAN**

If you have outstanding loans or are planning to borrow from payday, installment, title, or sales finance lenders including auto loans, here are some things you should be aware of:

**Illinois has suspended the repossession of vehicles.** On March 26, 2020, Governor Pritzker issued an Executive Order suspending the repossession of vehicles. The moratorium is in effect **until May 29, 2020**. During this time your car cannot be repossessed.

**If a lender closes its doors for health reasons.** The lender should provide reasonable methods for you contact them and reasonable ways for you to make payments to avoid delinquency.

**Shop for the most affordable loan possible.** Consumers who are experiencing financial difficulties during the COVID-19 pandemic and are seeking loan assistance should look for the most affordable loan options by considering the advertised APR and other loan costs.

**IDFPR is encouraging its licensees to work with borrowers struggling due to the COVID-19 pandemic.** IDFPR has issued guidance to its lenders to work with borrowers/consumers during the COVID-19 pandemic to offer forbearance on payments without interest.

**If you are having trouble with your lender, you can file a complaint.** Borrowers experiencing trouble with their lenders are encouraged to contact the following:

- IDFPR

<http://www.idfpr.com/DFI/DFIComplaintForm.asp>.

- Illinois the Attorney General's Office

<https://illinoisattorneygeneral.gov/consumers/filecomplaint.html>

- Consumer Financial Protection Bureau

<https://www.consumerfinance.gov/complaint/>

## IF YOU ARE BEING CONTACTED BY COLLECTORS

The Department is encouraging debt collectors to work with consumers to accommodate hardships due to the COVID-19 crisis, including to suspend collection activity for 60 days. If you are having trouble making existing payments to a debt collector or cannot pay a debt due to the COVID crisis, notify your debt collectors immediately.

**Consumers have protections under state and federal laws.** Consumers should be aware of all their rights, including:

- collectors cannot call you at places and times known to be inconvenient
- collectors must tell you the truth about the amount of your debt
- collectors cannot use deceptive methods to collect a debt from you

**If you are having trouble with a debt collector, you can file a complaint.** Consumer experiencing trouble with a debt collector are encouraged to contact the following:

- IDFPR  
<https://www.idfpr.com/admin/DPR/DPRcomplaint.asp>
- Illinois the Attorney General's Office  
<https://illinoisattorneygeneral.gov/consumers/filecomplaint.html>
- Consumer Financial Protection Bureau  
<https://www.consumerfinance.gov/complaint/>

## IMPORTANT INFORMATION ABOUT PROTECTING YOUR CREDIT SCORE

Your credit report and score are an important source of information about your financial habits. Your credit report impacts the amount of credit you can obtain and any interest rates you may pay. Borrowers struggling to make payments might see their credit report or score suffer as a result of financial hardship due to the COVID-19 pandemic.

**New federal legislation provides new rules on credit reporting for borrowers who are having difficulty paying their debts due to the COVID-19 crisis.**



Recent legislation passed in the federal CARES Act impacts how certain credit obligations will appear on your credit report if you seek a forbearance.

Under the CARES Act, if you enter a payment modification or forbearance with any of your lenders, then when they report your account to the credit bureaus, your lender must:

1. Report the credit obligation or account as current; or
2. If the credit obligation or account was delinquent before the accommodation, then:
  - a. Maintain the delinquent status during the period in which the accommodation is in effect; and
  - b. If the consumer brings the credit obligation or account current within 120 days when the CARES act became law (3/27/20), then report the credit obligation or account as current

**Check your credit report and dispute any mistakes.** Under federal law, everyone is entitled to one free credit report from each of the three agencies annually. You can request and review your free report through one of the following ways:

Online: Visit [AnnualCreditReport.com](https://AnnualCreditReport.com)

Phone: Call (877) 322-8228

**Additional information about credit reporting.** For additional information about your credit reporting rights visit:

- The Consumer Financial Protection Bureau  
<https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/>
- The Federal Trade Commission  
<https://www.consumer.ftc.gov/articles/0155-free-credit-reports>

## **HELP FOR CUSTOMERS OF BANKS AND CREDIT UNIONS**

IDFPR Division of Banking and Division of Financial Institutions has strongly urged state banks and credit unions to respond to borrowers affected by the current economic environment such as small businesses, hourly workers, and independent contractors.

IDFPR is encouraging all banks and credit unions to consider taking the following actions:

- Offering payment accommodations (such as allowing borrowers to defer payments at no cost or extending the payment due dates)
- Providing new loans on favorable terms to businesses and consumers
- Waiving certain fees (such as those for ATM usage, overdrafting, and late payments on credits cards and other loans)
- Increasing ATM daily cash withdrawal limits
- Easing restrictions on cashing out-of-state and non-customer checks
- Increasing credit card limits for creditworthy borrowers
- Alerting customers to the heightened risk of scams and price gouging during the COVID-19 disruptions
- Reminding customers to contact their financial institutions before entering into unsolicited financial assistance programs
- Ensuring that consumers and small businesses don't experience a disruption of service if financial institutions close their offices

**Contact your lender.** You should contact your lender to determine the actions your lender has taken and what options are available to you.

## **IMPORTANT INFORMATION ABOUT PROTECTING YOUR STIMULUS CHECK AND WAGES FROM GARNISHMENT**

**Illinois has suspended new garnishments and wage deductions.** Under the federal CARES Act, many Illinois residents will receive stimulus payments designed to help them financially make it through the COVID-19 pandemic. A creditor who has a judgment against you can typically go to court and ask the court to take money out of your bank account or out of your paycheck. However, you should be aware that on April 14, Governor Pritzker as issued an Executive Order which prohibits a creditor from bringing any new requests to a court seeking to garnish your assets or wages.

On April 24, 2020, the Illinois Supreme Court issued an order limiting freezes on personal bank accounts up to \$4000 for any summons or citation that was served or had a return date after March 9, 2020.

If you receive a paper stimulus check, shop around for the lowest check cashing fee. Some financial institutions may cash your stimulus check for free.

A number of banks have agreed to assist unbanked individuals that are trying to cash their stimulus checks. Fifth Third Bank, JPMorgan Chase, Wells Fargo, First Midwest, US Bank and others are working on providing free check cashing to non-customers. Interested Illinoisans should call a bank branch or email IDFPF at [IL.Banks@Illinois.gov](mailto:IL.Banks@Illinois.gov) to set up appointments with the banking institutions to ensure proper identification and ensure social distancing safety.

## **Guide for Consumers in the Real Estate Market During the COVID-19 Pandemic**

Illinois consumers should know that many licensed real estate professionals, including real estate brokers, residential leasing agents, real estate appraisers and home inspectors, are continuing to operate their essential businesses during this challenging time. We encourage you to contact your real estate brokerage professional prior to visiting their office, since all licensed real estate brokerage professionals are being encouraged to work from home or remotely.

If you're interested in buying, selling or leasing property, here are some questions to consider.

### **Does Social Distancing Apply to Real Estate Transactions?**

Yes, under Subsection (1)(12)(r) of Governor JB Pritzker's Executive Order 2020-10, "real estate services (including appraisal and title services)" are included as essential businesses and operations that may continue to provide their professional services. However, Subsection 1(15) of Executive Order 2020-10 requires "Essential Business and Operations" to take proactive measures to ensure compliance with Social Distancing Requirements, including, where possible: (1) designating with signage, tape, or by other means six-foot spacing for employees and customers in line to maintain appropriate distance; (2) having hand sanitizer and sanitizing products readily available for employees and customers; (3) implementing separate operating hours for elderly and vulnerable customers; and (4) posting online whether a facility is open and how best to reach the facility and continue services by phone or remotely.

### **Can My Real Estate Brokerage Professional "Show" My Property?**

It depends, individual showings may include the real estate brokerage professional and one additional person. Group showings may include the real estate brokerage professional and two or more people, not to exceed a total of four people including the real estate brokerage professional. Physical or in-person open houses are not permitted. Virtual or remote open houses are permitted. Further guidance for occupied and unoccupied properties are as follows:

- **Unoccupied or Vacant Properties**

Real estate brokerage professionals may conduct individual or group showings of unoccupied or vacant properties. However, real estate brokerage professionals must comply with all social distancing requirements specified in the Executive Orders.

- **Owner-Occupied Properties**

While virtual or remote showings are highly encouraged, individual and group showings are permitted for owner-occupied properties. For all owner-occupied properties, all showings, whether they are individual or group showings, must be scheduled in advance and the real estate brokerage professional must receive consent from the owner of that property. In all instances, the real estate brokerage professional must comply with all social distancing requirements specified in the Executive Orders.

- **Occupied Rental Properties**

Individual or group showings are prohibited for occupied rental properties.

### **Are Real Estate Closings Permitted During the Stay-At-Home Order?**

Yes, although consumers are strongly encouraged to amend their real estate contracts to change the closing date to a date after May 31, 2020, recognizing that the effective period of the Executive Orders may be extended. Given that unique sets of individual circumstances could make a real estate closing essential during the current period of the Executive Orders, closings are permitted to occur during this time frame. Real estate brokerage professionals must continue to act in accordance with the provisions of the Real Estate License Act of 2000 and may not unilaterally make changes to the contract between buyers and sellers. Any change in closing dates must be agreed to by the parties to the transaction and properly documented.

Real estate closings are permitted to occur either through remote means or with all applicable social distancing requirements put in place for any in-person transaction.

### **Will I Be Able to Obtain an Appraisal?**

Yes, real estate appraisal services are permitted under the Executive Orders. However, as a profession whose standards and qualifications are authorized by the United States Congress, this profession requires that licensed real estate appraisers conform to both state and federal regulations. Any real estate appraisal service that can be conducted within an office or outside of a subject property is permitted. Where consent is granted by the property owner and an appraisal is required by a financial institution, interior inspections are permitted by licensed real estate appraisers only when complying with all applicable social distancing requirements specified in the Executive Orders. If a property owner does not grant access to the interior of the property due to COVID-19 concerns, alternative arrangements should be pursued. Appraisers are being encouraged to pursue alternative forms of appraisals, such as desktop appraisals when these are permitted by government-sponsored enterprise or federal agencies.

We encourage you to work with your licensed real estate appraiser and your lender to determine what form of appraisal will satisfy lending requirements and conform to the State's social distancing requirements.

### **Can I Have My Home Inspected?**

Yes, home inspector services are permitted under the Executive Orders. Home inspectors must continue to obtain valid consent prior to entering the subject property from either the real estate brokerage professional representing the property owner or from the property owner. When conducting the home inspection, all applicable social distancing requirements specified in the Executive Orders must be met.

### **What Else Should I Consider During This Time Period?**

First and foremost, the health and welfare of the residents of Illinois, our licensees, and prospective residents of Illinois is our top priority at the Division of Real Estate. Do not put yourself or others at risk. Consumers, as well as real estate professionals, must adhere to social distancing requirements throughout all facets of their real estate transaction. Consumers should also consider the use of Personal Protective Equipment ("PPE") whenever they are in proximity to others during the course of their transaction.

In other words, take all necessary precautions to ensure a healthy and safe environment for real estate transactions. Please be aware that as the COVID-19 pandemic is rapidly changing, so are the policies and procedures adopted by the State of Illinois. Additionally, please note that local jurisdictions may have different policies and procedures in place relating to Executive Order 2020-10 and Executive Order 2020-18 (which extended the social distancing provisions of Executive Order 2020-10 through and including April 30, 2020).