Debt Relief Protections for Consumers
During the Coronavirus Pandemic (3/31/20)

An HIV diagnosis can have an almost immediate effect on a person’s financial situation due to the cost of treatment, the possibility of reduced work or possible future disability. Even under the best of circumstances, juggling student loans, consumer credit cards and car loans can lead to a lot of stress and anxiety.

With the added stress of COVID-19 for PLWH there is at least some relief if you have been economically impacted by the coronavirus and are struggling to pay your bills during this crisis. Below is information summarized to help you navigate through the next 6 months.

FIRST, TRY NOT TO PANIC WHEN IT COMES TO PAYING YOUR BILLS. You probably keep hearing this, but we really are in this together with so many millions of people directly impacted. So, just from a practical standpoint, this means concessions and accommodations will have to be made by landlords, banks, utility companies, credit card companies, banks, lending institutions and creditors that are in similar positions.

SECOND, BE PROACTIVE AND NOT PASSIVE. Get on the phone with every bill or utility that you have, or follow online instructions, and explain that you have been financially devastated by the coronavirus and request a minimum 6-month moratorium on payment. If that’s not available, ask what they are doing for people in your position – again, remember, you are one of millions and millions of people who are in the exact same situation, so don’t be afraid to ask for help right now when everyone else is doing the exact same thing.

Managing Your Federal Student Loans

The Department of Education had taken numerous steps to assist FEDERAL student loan borrowers with initiatives that began on March 13, 2020. Through the federal Stimulus package (CARES Act) these steps have been extended through September 2020.

Here are some key things you need to know about how this may affect you.
HIGHLIGHTS:

● Federal student loan payments will AUTOMATICALLY BE suspended THROUGH September 2020 without penalty. Borrowers DO NOT need to do anything, but you may want to check your online account in the coming weeks to see if the servicer has reset its billing systems so that it is showing no payments due from you. Servicer errors are notoriously common.

● Borrowers who have defaulted on their federal student loans will get a temporary reprieve from having their wages, Social Security benefits and tax refunds garnished by the federal government.

● The Department of Education will refund about $1.8 billion to the more than 830,000 borrowers who were in the process of having money withheld.

● Interest rates automatically set to 0% on federally held loans through September. After September 30, check your account online to make sure the loan servicer has put you back to your previous repayment mode. Servicer errors are notoriously common.

● Private collection agency efforts (e.g., wage garnishment, seizure of tax refunds, reduction of Federal benefit payments, phone calls, mailers and other involuntary collection efforts) are suspended through September.

Credit Cards, Personal Loans, Small Business Loans

Many credit card issuers, including Capital One, Chase, Citi, U.S. Bank, Wells Fargo, and others, have released statements on their websites announcing several kinds of assistance for consumers during the COVID-19 outbreak. Available help includes credit line increases, collection forbearance, and skipped payments; however, think very carefully before incurring new debt for the sole purpose of servicing current or old debt.

Banks, credit unions, and other financial institutions are offering loan extensions and deferred payment options, among other things, if you'll have trouble making payments on a personal loan or small business loan. (For more information about potential relief if you can’t make payments on a personal loan, small business loan, or credit card debt, read Dealing With Loans and Credit Card Debt You Can't Pay After COVID-19.)

The CARES Act includes more than $370 billion for small businesses: it will allow banks to lend directly to businesses, and those loans will be backed by the Small Business Administration. Although there are restrictions, some of the terms are less burdensome than other SBA programs. Here is a link to a one-page summary of the CARES Act small business provisions.

Utilities, Phone, Internet

Los Angeles County utility companies have implemented a shutoff moratorium. It’s not clear how long this will last, but they have agreed to not shut off utilities for non-payment. Before you stop paying, you should always contact the provider first.

Southern California Edison - https://www.sce.com/safety/coronavirus
**Los Angeles Department of Water & Power** – The moratorium on shut-offs will extend through the end of the local emergency period. Residents should pay their utility bills if they are able, but for Angelenos experiencing financial hardship can request a payment plan online at [www.ladwp.com](http://www.ladwp.com).

Many phone and Internet providers, too, are waiving late fees and postponing shutoffs. Some providers are giving free Internet service to new customers or unlimited data to current customers for a limited amount of time, such as 60 days.

**AT&T** - As of March 13th, 2020, for the next 60 days, AT&T won’t terminate service and will waive late payment fees of any wireless, home phone or broadband residential or small business customer due to an inability to pay their bill as a result of the coronavirus pandemic. Like other internet and phone service companies, they are continuing to update and provide new service benefits.

**Auto Loans and Leases**

Lenders and Leasing Companies are offering payment delays and other alternatives to those who will have trouble making their car payments. Contact your lender or leasing company directly.

**RENT**

On March 27th Governor Newsom ordered a statewide halt to coronavirus related evictions until May 31st.

If you are struggling to pay your rent because of lost wages related to the coronavirus pandemic this moratorium gives you some breathing room. Like other debts you can’t pay, DON’T IGNORE THE SITUATION. Talk to your landlord NOW. It is required that you let your landlord know in writing, that you can’t pay part or all of your rent.

You will also need to prove (document) your lost wages and why you can’t pay your rent. Most importantly please understand that you will STILL OWE THE RENT and will need to pay it back in a “timely manner.” Once the moratorium is lifted, you could face an eviction, if you can’t pay your rent at that time.

More information can be found here:

Legal Aid Foundation of Los Angeles
If you need help with a housing eviction call Inner City Law Center’s HOPWA Hotline: 213-891-2916.

Mortgage Payment Help and Foreclosure Suspensions

Like other creditors, mortgage lenders are putting in place moratoriums on foreclosures. As soon as you realize you’ll have trouble making your next mortgage payment, call your loan services to learn what options might be available to you including waiver of late fees. The servicer might also agree to suspend reporting the delinquency to the credit reporting bureaus during this time.

Almost half of all US home loans are backed by Freddie Mac and Fannie Mae and the federal government has put into place various protections. You may qualify for reduced payments or even a complete pause of payments for up to a year and no adverse reporting to the credit bureaus for late payments. See here for more info.

Property Taxes Still Due

No reprieve has been announced from the Assessor’s Office (as of March 18, 2020) regarding property taxes, including residential.

Their website isn’t particularly helpful either https://assessor.lacounty.gov/

Managing Your Credit Reports

Even during more normal times, it’s a good idea to regularly review your credit reports. Federal laws make it easier to do so, since you are entitled to a free copy of your credit report every 12 months from each of the three nationwide credit bureaus (Equifax, Experian, and TransUnion).

If you find that a creditor has added negative information to your report after you missed payments due to the coronavirus, you may add an explanatory statement to your credit report. After you file your statement with the credit reporting agency, the agency must include your statement or a summary of it in any report that includes this information. Keep your statement to less than 100 words so that the agency is more likely to use your unedited statement. For example, you might say something like, “The delinquent accounts showing on my credit report were because my employer reduced my work hours due to the coronavirus outbreak. I intend to make up the payments as soon as I can.”
Getting Help

Again, if you’re faced with reduced or no income as a result of COVID-19, contact each of your creditors to let them know about your situation. Tell them how coronavirus has impacted your ability to pay your bills and inquire about options for financial relief.

The AIDS Legal Service Project is here to help!

If you need legal advice specific to your situation or need legal intervention, please fill out the AIDS Legal Service Project (ALSP) online intake form HERE. It will be reviewed to see if you qualify for free legal services through the ALSP.

If you have any questions, you can also email ALSPinfo@lacba.org or call 213-833-6776.

THE INFORMATION CONTAINED HERE WAS CURRENT AS OF 3/31/20

PLEASE NOTE THE CONTENT HERE IS INFORMATIONAL ONLY AND IS NOT INTENDED TO PROVIDE YOU WITH LEGAL ADVICE. YOU SHOULD SEEK THE COUNSEL OF AN ATTORNEY TO RECEIVE LEGAL ADVICE SPECIFIC TO YOUR SITUATION