

Aug 12, 2020

Majority Leader Mitch McConnell
United States Senate
Washington, DC 20510

Minority Leader Chuck Schumer
United States Senate
Washington, DC 20510

Chairman Mike Crapo
Senate Committee on Banking, Housing and Urban Affairs
Washington, DC 20510

Ranking Member Sherrod Brown
Senate Committee on Banking, Housing and Urban Affairs
Washington, DC 20510

Re: Consumer protections for next COVID legislation

Dear Majority Leader McConnell, Minority Leader Schumer, Chairman Crapo, and Ranking Member Brown,

The 92 undersigned consumer, civil rights, community, housing, labor, and other public interest organizations write to urge you to include consumer protections in the next coronavirus recovery package or other upcoming COVID-19 legislation.

Over the past five months, we have seen the COVID-19 pandemic wreak havoc on the lives of millions of people across the United States. Unfortunately, as COVID-19 continues to spread across the country, its devastating impact on the American economy and household finances is continuing to cause tremendous financial distress for families and small businesses. Unemployment remains alarmingly high and many families find themselves in particularly precarious situations as federal, state, and local protections have expired or are due to expire shortly. 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.

It is absolutely critical that Congress and the administration enact [broad-based, efficient, and effective relief](#) to protect people's finances so that they can weather this ongoing crisis and provide them with the stability they need to rebuild, including the following measures:

- **Provide emergency rental assistance** to millions of American households who are threatened with severe housing instability due to the pandemic. Rental assistance

funding must be sufficient to ensure that people impacted by COVID-19 across all rental housing types in urban, rural, and tribal areas do not lose their rental home or fall so far behind on rent that they face an increased likelihood of being evicted. Rental assistance should preserve housing stability and prevent homelessness via future rent payments, unpaid rent arrearages, and to a limited extent, utility payments and unforeseen operating costs associated with responding to the COVID-19 pandemic.

- **Prohibit negative credit reporting.** No one should see their credit record harmed as a result of the pandemic. We call for a temporary moratorium on all negative credit reporting related to payments missed during the crisis and for longer protections upon request for people who face lasting financial hardship from the outbreak.
- **Halt 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, car repossessions, utility shutoffs, and evictions should be stopped, and all requests to stop automatic payments should be promptly honored.
- **Prevent 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.
- **Prevent predatory lending by capping interest rates on new loans at 36%.** Predatory lenders could 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.
- **Require 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.

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. These protections will lay the foundation for more stable communities and a faster economic recovery. 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,

Americans for Financial Reform
20/20 Vision
Alabama Arise
Alaska PIRG
Arizona PIRG
Arkansas Community Organizations
Boaz & Ruth
Brazos Valley Financial Fitness Center
CAARMA
CALPIRG
Center for Digital Democracy
Center for Economic Integrity
Center for Economic Justice
Center for Justice & Democracy
Chicago Consumer Coalition
Citizens Action Coalition of IN
Community Legal Services of Philadelphia
ConnPIRG
Consumer Action
Consumer Federation of America
Consumer Federation of California
Consumers for Auto Reliability and Safety
CoPIRG
Delaware Community Reinvestment Action Council, Inc.
Demos
Endangered Species Coalition
Every Texan
Florida Alliance for Retired Americans
Florida PIRG
Florida Silver Haired Legislature Inc
Georgia PIRG
Georgia Watch

Housing Initiatives of Princeton
Illinois PIRG
Indiana Institute for Working Families
Indiana PIRG
Iowa PIRG
Kentucky Equal Justice Center
Legal Aid Justice Center
Legal Services of New Jersey
Maryland PIRG
MASSPIRG
MontPIRG
MoPIRG
NAACP
National Advocacy Center of the Sisters of the Good Shepherd
National Association of Consumer Advocates
National Center for Law and Economic Justice
National Consumer Law Center (on behalf of its low income clients)
National Council of Gray Panthers Networks
National Employment Law Project
National Fair Housing Alliance
National Housing Resource Center
National WIC Association
NCPIRG
New Georgia Project
New York Legal Assistance Group (NYLAG)
NHPIRG
NJPIRG
NMPIRG
Ohio PIRG
OnTrack Financial Education & Counseling
Oregon PIRG (OSPIRG)
PennPIRG
PIRG in Michigan (PIRGIM)
Progressive Leadership Alliance of Nevada
Public Citizen
Public Justice Center
Public Law Center
RAISE Texas
RIPIRG
RVA Eviction Lab
SC Appleseed Legal Justice Center
Sciencecorps
South Carolina Appleseed Legal Justice Center
SPLC Action Fund

Storefront For Community Design
Texas Appleseed
Texas Consumer Association
TexPIRG
THE ONE LESS FOUNDATION
Tzedek DC
U.S. PIRG
United Way of Greater Houston
United Way of Southern Cameron County
Virginia Citizens Consumer Council
Virginia Organizing
VOICE- OKC
WASHPIRG
WISPIRG
Woodstock Institute
Working In Neighborhoods