

Housing and Financial Counseling FAQs and Tips:

Financial issues related to COVID-19

1. What if I can't pay my mortgage?

The new federal Coronavirus Aid, Relief, and Economic Security (CARES) Act

<https://www.usa.gov/coronavirus> puts in place two protections for homeowners with federally backed mortgages:

- *Foreclosure Moratorium - Suspends or stops foreclosure up to 180 days*
 - *Right to forbearance (temporary suspension of mortgage payments) for homeowners who are experiencing financial hardship due to COVID-19*
 - *Servicer allows you to pause or reduce your mortgage payment for a limited time period.*
 - *Forbearance does not erase what you owe – you will still have to repay any missed or reduced payments in the future.*
- a. COMMUNICATE - Contact your mortgage servicer (the company to which you send your monthly mortgage payments) immediately to see what options may be available.
 - Options will depend on who owns or backs your mortgage
 - Your mortgage servicer will provide you with this information
 - b. Be prepared to explain why you are unable to make payments and to provide details about your income and expenses.
 - c. Ask the servicer what options are available to help you temporarily reduce or suspend your payments (forbearance, loan modification, or other options), and if they are waiving late fees.
 - d. Once you're able to secure a mortgage relief option, ask your servicer to provide written documentation confirming the details of your agreement.
 - Depending on the type of forbearance you secure, you may owe all of your missed payments at one time, or additional payments may be required at the end of the mortgage. Therefore, it is important to be sure you completely understand the terms of the agreement.
 - e. If you can make partial payments, do so. This will lessen the amount of money you will have to pay when the crisis is over.
 - f. Contact a HUD certified Housing Counselor at The Up Center (757-622-7017) for assistance in this process.

2. What if I can't pay my rent?

- a. COMMUNICATE - Contact your landlord as soon as possible to let them know that you are not able to make your payment. The moratorium does not forgive missed rent but it gives you time to work out a payment plan with your landlord.

- b. Provide your landlord with proof that you have been financially impacted by COVID-19. Even if you do not have the disease, you still qualify for deferred rent if you lost your job or have been furloughed due to business closures or cost-cutting measures related to the coronavirus.
- c. If you just need a bit of extra time before you can make rent payments again, request a grace period from your landlord to have your late payment fees waived.
- d. To avoid being hit with a lump sum payment of your past-due rent, request a payment plan from your landlord and ask to have it spread over a longer period of time. Be sure get the payment plan in writing.
- e. If you can make a partial payment, do so. It will lessen the amount of money you will have to pay once the crisis is over.

3. What if I can't pay my consumer loans, like a car loan or credit cards?

- a. COMMUNICATE – call your lender immediately for options available to you
 - Many auto companies and other lenders have emergency programs that will let you defer payments for a month or more.

4. What if I can't pay my car insurance?

- a. Some insurers are allowing customers to put off paying premiums for a period of time without canceling their coverage. Check with your insurance company regarding their policy, but don't take the risk of going uninsured.

5. What if I can't pay my student loans?

- a. If your student loan is federally held, payments are postponed until September 30, 2020 with no interest.
- b. If your student loans are owned by the bank, credit union or other lender, reach out to them for available options.
- c. Go to www.studentaid.gov/coronavirus for additional information.

6. What if I can't pay my bills?

- a. First COMMUNICATE with your lenders – credit card companies, mortgage servicers, auto loans, etc. to see what options are available. This will help you better understand what you will have to pay now and what you can pay later.
 - Apply for SNAP benefits <https://commonhelp.dss.virginia.gov/> to provide assistance with food, or find a local food bank <https://foodbankonline.org/> to obtain food.
 - Call your utility companies to see what assistance they are able to provide at this time.
- b. Once you understand your options with each lender and what you are required to pay, write down your income, all your bills, and how much is due on each bill.
- c. Weigh the risk of not paying each bill, then number them in the order you want to pay them, based on priority.

- d. If you receive the federal economic impact payment, use these funds for the intended purpose of paying your bills. Avoid going out and spending this money on non-essential items. Make a plan with the funds you plan to receive and stick to it!
- e. Additional information can be found at <https://www.virginia.gov/coronavirus/>
- f. Call a HUD Housing Counselor at The Up Center (757-622-7017) to assist you in making a plan to pay your monthly bills and expenses that is unique to your individual situation

Remember: You will still have to pay these bills when the crisis is over. Make partial payments whenever you can to lessen the amount of money that you will have to pay later.

BEWARE OF SCAMS!

Unfortunately, many will take advantage of this opportunity to try to scam you out of money and/or your personal information. Use this link to help stay aware of potential scams:

<https://www.consumerfinance.gov/about-us/blog/beware-coronavirus-related-scams/>