



## COVID-19: Mortgage, Consumer, and Student Loan Information

***Important! The Federal Communications Commission is offering an emergency broadband benefit during the COVID-19 pandemic. CLICK HERE to learn if you are eligible and to find out how to apply.***

Below is information related to several consumer topics affected by the COVID-19 pandemic and government responses. If you are in need of legal help with any of these matters, we may be able to help. Click here to learn how to apply.

### **Home Ownership and Mortgages**

- Persons who are struggling to make mortgage payments or are facing foreclosure, whether or not their mortgage is federally-backed, may contact the Indiana Foreclosure Prevention Network (IFPN), 1-877-GET-HOPE (1-877-438-4673), [www.877gethope.org](http://www.877gethope.org). for loan counseling assistance. If you are behind, mortgage assistance funds may be available through the Hardest Hit Program, but please note, the deadline to apply is **May 3, 2021**.
- For people whose mortgage loans are backed by the federal government (FHA, VA, USDA, Fannie Mae or Freddie Mac), foreclosures are banned until July 1, 2021.
- People with federally-backed mortgages may also enroll in a forbearance (temporary suspension of payments) until June 30, 2021.
- Additionally, up to six months of additional mortgage payment forbearance (temporary suspension of payments) are available for borrowers who enter a forbearance on or before June 30, 2021.
- These deadlines have been extended several times since March 2020, and may be extended again in the future.
- For more information about federally backed mortgages and your options, go the Consumer Financial Protection Bureau (CFPB) website at <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/>
- If you are unable to pay your mortgage, other options may be available through your mortgage servicer, such as refinance, loan modification, workout repayment plan, or forbearance, and you may wish to contact your mortgage servicer to discuss your options.

## Consumer debt and debt collection

- The Consumer Financial Protection Bureau (CFPB) has information and materials to help you protect your finances during the COVID-19 pandemic. <https://www.consumerfinance.gov/coronavirus/> These materials include:
  - Mortgage and housing assistance available
  - Managing your finances
  - Student loans
  - Avoiding scams
  - Resources for servicemembers and older adults
- If a debt has been sent to collections, you have legal rights when it comes to debt collectors' efforts to collect a debt. If you believe a debt collector is violating your rights, you can contact Indiana Legal Service, Inc. to request legal assistance. [Click here to find out how to apply.](#)

## Canceling automatic bill payments

- If a change in your financial situation means you will no longer be able to afford monthly expenses, you should take actions to cancel any automatic withdrawals from your bank account. This will avoid overdraft or insufficient funds fees.
- [According to the Consumer Financial Protection Bureau](#), to stop automatic payments from your bank account you should: (1) call and write the company telling them you are “revoking authorization” for them to take automatic payments out of your account; (2) call and write your bank to tell them you are “revoking authorization;” (3) monitor your account and inform your bank immediately if you see a payment that is not authorized. You can also give your bank a “stop payment order,” either over the phone or in writing at least three business days before a payment is scheduled.
- Note that just because an automatic bill payment is stopped, this does not cancel your responsibility for any lawful debt owed to the company. If you dispute the debt, you may wish to request assistance from Indiana Legal Services, Inc. [Click here to find out how to apply.](#)

## Student Loans

- The Federal CARES Act was signed into law on March 27, 2020, in response to the ongoing COVID-19 emergency. There are several provisions related to employment, student loans, etc. This section discusses student loans.
- **Federal Student Loans**
- For non-defaulted federally held student loans, the CARES Act provides automatic suspension of principal and interest payments. This has been extended through September 30, 2021. Your federal student loan servicer should suspend payments without

any action from you.

- Suspended payments count toward any student loan forgiveness program, as well as any rehabilitation program for borrowers with defaulted loans. The CARES Act also suspends “involuntary collection” of defaulted federally held loans, such as non-court wage garnishment, tax offsets, and federal benefit offset.
- For federal student loans held by commercial lenders you can investigate income-driven repayment plans, forbearance, and deferment. Even if you are already on an income-driven repayment plan, you can contact your servicer to recalculate your monthly payment.
- **Private Student Loans**
  - The CARES Act only provides suspension of payments and interest on non-defaulted *federally held student loans*. This does not include student loans owned by banks, schools, or other private entities, or federal loans owned by commercial lenders, and Perkins Loans.
  - If you are unable to afford monthly payments on privately held student loans, you should explore options. For privately held student loans, you can contact your lender to see if there are options to reduce or postpone payments
  - If you are not sure if your loans are federal or private, you can find out by going to the National Student Loan Data System. For more information, Click here: <https://www.studentloanborrowerassistance.org/start-here/what-type-of-loan-do-i-have/>

## Student Loans – Other Resources

- There is an excellent resource to help you understand your options regarding student loans, from the National Consumer Law Center. See Student Loan Borrower Assistance <https://www.studentloanborrowerassistance.org/>
- See, also, Information for Student Loan Borrowers, on the CFPB’s website, at <https://www.consumerfinance.gov/coronavirus/student-loans/>

## Scams

- As we all practice safe social distancing, we are more vulnerable to scams. There are a number of possible scams including debt collection scams, foreclosure relief scams, and student loan scams. The Federal Trade Commission offers some tips to avoid falling victim to a scam.
- If someone contacts you asking you to disclose personal information or give them money, you should make certain the request is legitimate. If you think you have been the victim of a scam, you can submit a complaint to the Indiana Attorney General’s Office and the Federal Trade Commission.

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<http://www.indianalegalservices.org/node/1033/covid-19-mortgage-consumer-and-student-loan-information>

