Facts about the Coronavirus Aid, Relief and Economic Security (CARES) Act

The CARES Act was signed into law on March 27, 2020, and provides emergency relief in excess of $2 trillion for the U.S. economy targeted to individuals, small businesses, large companies, state and local governments and health care providers impacted by the COVID-19 coronavirus.

Here is a breakdown of how this legislation may benefit you:

**Cash Payments**

**Individuals** — Most individuals will receive cash payments. Individuals with adjusted gross incomes at or below $75,000 will receive a one-time payment of $1,200. Individuals with incomes exceeding $75,000 will have the payment reduced by $5 for every $100 of income that exceeds the limit. Individuals earning $99,000 or more will not receive a cash payment. An individual who filed “head of household” and earned $112,000 or less will receive a cash payment of $1,200.

**Married Couples** — For married couples filing jointly, those with adjusted gross incomes of $150,000 or less will receive a one-time payment of $2,400. Similar to the individual payments, married filers will have their payment phased down if their income exceeds $150,000 but is less than $198,000. Married couples making more than $198,000 will not receive a cash payment.

**Minor Children** — Individuals and couples that qualify for a cash payment will also receive an additional $500 per minor child in their household.

**Payment Offsets** — Owing back taxes or other debt to the government will not impact these payments. However, for those who owe back child support and their arrearage has been reported by child support enforcement to the Department of Treasury, their cash payments may be reduced or eliminated.

**Timing** — Treasury Secretary Steven Mnuchin said that check should be issued within three weeks via direct deposit (if the Treasury Department has that information) or paper checks. Paper checks will likely take longer to be issued.

**Temporary Student Loan Relief**

The CARES Act has several provisions that impact Direct Loans and Federal Family Education Loans (FFEL) that are currently owned by the U.S. Department of Education. Not covered by these provisions are Perkins Loans, commercially-held FFEL loans or any private student loans.

**Payment Suspension** — The CARES Act suspends all payments due on FFEL and Direct Loans that are currently not in default until September 30, 2020.

**Interest Waiver** — The CARES Act states that interest shall not accrue while the loan payments are suspended.

**Collection Suspension** — The CARES Act suspends all involuntary collection of defaulted government owned FFEL and Direct Loans until September 30, 2020. This covers non-judicial wage garnishments, tax offsets, and federal benefit offsets (such as seizure of Social Security benefits).

**Time in Suspension Counts Towards Forgiveness or Loan Rehabilitation** — Under the CARES Act, each month for which a loan payment or involuntary collection was suspended shall be treated as if the borrower made the payment for the purpose of any loan forgiveness program or loan rehabilitation program.

**Credit Reporting** — For credit reporting purposes, any payment that was suspended will be treated as though the borrower made the payment on time.

**Borrower Notification** — The CARES Act requires the Secretary of Education to notify borrowers for whom payment has been suspended and interest waived, or for whom involuntary collection has ceased, within 15 days of these changes. The notification will allow borrowers the option of making principal payments. Beginning August 1, 2020, the Secretary of Education will have to provide notice to borrowers of when payment obligations will resume.
**Loan Cancellation for Current Students** – For borrowers forced to withdraw from school due to the coronavirus, the CARES Act requires the Secretary of Education to cancel the borrower’s Direct Loan associated with the payment period in which they withdrew from school.

**Tax Returns**

The federal tax filing deadline for 2019 returns has been extended to July 15, 2020. Many states have also delayed their tax filing deadlines to fall in line with the IRS. Be sure to check with your state’s department of treasury for relevant information.

**Assistance for Renters**

**Eviction Moratorium** – The CARES Act provides 120 days of eviction relief for tenants in federally-backed housing meaning that the earliest an eviction notice could be served is July 25, 2020. Further, the notice must provide 30 days for the renter to leave the property, which is August 24, 2020. During this time, the landlord may not charge late fees, penalties or other charges for paying rent late.

During the moratorium, tenants are not relieved of their obligation to pay rent. However, being unable to pay rent will not allow the landlord to proceed with an eviction.

In addition to the CARES Act Eviction Moratorium, many local and state governments have instituted their own eviction moratoriums independent of this federal legislation. Check your city, county and state government websites for information for where you live.

**Rental Housing Covered by the Eviction Moratorium** – The CARES Act rental housing eviction moratorium applies to rental housing that is:

- Covered under section 41411 of the Violence Against Women Act of 1994 (34 U.S.C. 12491(a);
- Covered by the rural housing voucher program under section 542 of the Housing Act of 1949 (42 U.S.C. 1490r); or
- Has a federally back mortgage or multifamily mortgage loan.

**Rental Assistance** – The CARES Act provided the Department of Housing and Urban Development with an additional $17.4 billion in funding for rental assistance, housing vouchers, public housing and housing for the elderly.

HUD Rental Assistance can be accessed online [https://www.hud.gov/topics/rental_assistance](https://www.hud.gov/topics/rental_assistance) or by contacting a housing counseling agency by calling 800.569.4287.

**Assistance for Homeowners with Mortgages**

**Federally backed mortgage loans** – FHA insured loans, VA loans, and loans from Fannie Mae and Freddie Mac have new safeguards to assist individuals experiencing financial hardship due to COVID-19. The new act requires forbearance for affected borrowers, as well as a temporarily prohibition of foreclosures and rent-default evictions.

**Forbearance** – The borrower can submit a request with their lender and affirm that they are experiencing financial hardship. The forbearance period is 180 days, but upon the borrower’s request can be extended for additional 180 days, which may provide mortgage forbearance for up to 12 months.

**Penalties and fees** – There will be no fees, penalties, or interest beyond the amount scheduled on the mortgage loan while it is in forbearance.

**Moratorium** – This temporary prohibition of certain activities including foreclosure processes and evictions is in effect until May 17, 2020. No new foreclosures may be initiated and pending foreclosures may not be executed.

**Credit reporting** – The act provides special treatment for reporting on accounts subject to deferrals or forbearance agreements due to the COVID-19 pandemic. The accounts must be reported as current, as long as the accounts were not delinquent prior to deferral or forbearance agreement.
COVID-19 Consumer Issues

I have a pending court case, will I be able to resolve it?
Many courts around the country are suspending court cases as well as new filings for at least the next two weeks. Some courts have suspended face-to-face hearings but will be proceeding with legal proceedings via electronic means. There has not been a national response dictated to the courts. You will need to contact your local county courthouse or check your county courthouse website for specifics in your area.

What if I cannot pay for my internet service?
The Federal Communications Commission (FCC) has requested that all major internet carriers agree to the following for the next 60 days.
- Not terminate any residential or small business customer due to their inability to pay due to the COVID-19 pandemic
- Waive late fees
- Open Wi-Fi hotspots to anyone who needs them
Almost every major provider has agreed to these terms. Please see the link below for a complete list.
Many internet and cell service carriers have published other changes they are also making in addition to the recommendations of the FCC. It is best to go directly to your carrier’s website as many businesses have a link to COVID-19 pertinent information on their websites.

What if I cannot pay my utility bills?
As with the court system, there has not been a direct order from the government in regards to utility delivery. Many local and state-wide providers have advised they will not terminate service or have suspended planned disconnections. There is a link below with some areas of the United States and their utility responses. The best practice is always to go directly to the utility company’s website to see what changes they have made to their services.
https://www.energyandpolicy.org/utilities-disconnect-coronavirus/

What if I cannot pay rent?
While COVID-19 may impact the ability to work and earn a living, it is unfortunately not a legal reason to stop paying rent. The responses from cities or landlords seem to be localized. In general, many courts have shut down and are not allowing new cases to be filed. Landlords cannot use any self-help remedies like changing the locks or throwing your stuff out; it is illegal. While not ideal, if landlords were seeking to evict tenants for failure to pay rent, the court systems around the country will make that process longer than normal hopefully giving more time for your city to enact specific protections or come to an alternative with the landlord. Look to reputable news sources to investigate if your city has put in place any official restrictions. Below are some cities and states that have started to put protections in place.
If your city has yet to formally address the issue you can try to negotiate directly with the landlord. If you reach an alternative agreement with your landlord, even a temporary one for the next 30 to 60 days, get the terms in writing and both sign it.
In addition, some banks have sought to help customers affected by COVID-19. Some bank and lending institutions are below. It is always best to check directly with your bank on the phone or via their website for the most up-to-date information.
Does my landlord have to clean more because of COVID-19?

When it comes to maintenance, there have been no rules put in place to address additional cleaning the landlord has to do in light of COVID-19. The landlord’s obligation still is that they have to provide a habitable place to live. For common areas of a building, as well as any public area, there are steps you can take to minimize your exposure and protect yourself. The Centers for Disease Control (CDC) has a number of suggestions.


I have upcoming travel plans within the United States, should I still go?

The government has yet to formally restrict travel to any state. Many cities and states are recommending against all nonessential travel here in the U.S. and internationally.


I have upcoming travel plans outside the United States, should I still go?

For international travel, the U.S. government has restricted travel for non-U.S. citizens coming into the United States, although there are no restrictions on travel for U.S. citizens. If you are a U.S. citizen and are returning from a high-risk country, you may be subject to additional screening and/or quarantine upon arrival back in the United States. The CDC recommends against non-essential travel to China, Iran, and the majority of Europe at the moment. You can find a risk assessment by country from the CDC below.


I received information promising a treatment/vaccine for COVID-19. Is it real?

As of right now there is no approved treatment or vaccine. Be cautious of any information you receive via email or text related to the COVID-19 outbreak. When in doubt, go directly to that company or institution’s website as opposed to clicking on any links in the email. If you receive any items you believe are scams or see evidence of price gouging on essential items, please contact your state’s Attorney General’s Office and file a complaint.

For up to date health information you should turn to local state health departments, the CDC or the World Health Organization (WHO).

- CDC – [https://www.cdc.gov/](https://www.cdc.gov/)
- WHO – [https://www.who.int/](https://www.who.int/)

What if I decide I want to cancel my travel plans, will I get a refund?

The eligibility for a refund and/or change fees will vary greatly depending on what type of travel it was and who you booked it with. It is always best to check with your carrier about their policy changes. As phone lines are extremely busy at the moment, many carriers will suggest going online first and only seeking to call if you are within 1-2 weeks of your travel dates to help alleviate congestion for their call centers.

Below is a link to many of the responses to COVID-19 from airlines and other carriers.

[https://www.airlines.org/content/covid-19-resources/](https://www.airlines.org/content/covid-19-resources/)

Airbnb has also released changes to their cancellation/fee schedule.


VRBO has not made any site-wide changes as of yet but suggests contacting your host if you are outside of the normal cancellation period.

Do I have to allow my landlord in for repairs if I am concerned about COVID-19?
The landlord has an obligation to provide a habitable unit and to mitigate damages they might incur. Failing to address essential repairs could lead to larger issues and could be seen as a breach of your lease. The landlord is not free to enter without notice unless it is for an emergency. You can look to your lease but generally the landlord will be allowed, with proper notice, to enter to make agreed-on or necessary repairs. Unless your state or city has put in place requirements about personal protective gear in public or the workplace, it will be at the discretion of the landlord and the tenant to reach agreements on precautions.

In the event the landlord enters for an unauthorized reason, the tenant does not allow the landlord to enter, or other dispute arises, it will unfortunately fall to the courts to determine what damages to award.

Can I back out of a home purchase due to COVID-19?
As with many contract issues during the COVID crisis, there is not an explicit right to cancel due to this epidemic. Courts have not dealt with the issue of an epidemic’s effect on contracts. When the courts reopen there is likely to be additional information in regards to contract changes.

Absent court or legislative changes, the right to cancel the contract will come from any contingencies already stated in the contract or arrangements the parties mutually agree on. While many documents require physical signatures, it is possible to sign documents while maintaining social distance. It is also important to wash hands before and after handling documents and writing instruments at a closing.

Can I reduce child support because my child is not in day care due to COVID-19?
Child support orders are court orders and are expected to be followed. Changes to child support can be handled a couple of ways. In the case of wage or bank account garnishment, those orders cannot be amended except by the courts. Your employer or bank legally has to follow the order until they receive an amended order. With the courts being closed, it may not be possible to get an amended order until they reopen. If your order is through the Office of Child Support, you can attempt to contact them to see if they are operating in any capacity during the shutdown.

If your child support is not automatically garnished you may have a few more options. If the parties mutually agree to change the amount, it should be memorialized in writing. Out of court custody/support agreements are not legally enforceable but can provide evidence to the courts that there was a mutually agreed upon change in light of the lack of court access. When the courts/child support agencies reopen, you can ask the courts to amend the order, if necessary.

In the event you withhold your support and the other parent is not in agreement, it will need to be resolved in the courts. Cost changes for the child or life changes that impact child support, like being laid off or furloughed, are typically approved reasons to adjust support but need to be approved by a judge first.

I’m working from home but building maintenance is causing noise issues. Do I have any recourse?
If the work is construction-based, many states and cities have stated that certain construction is considered essential. You should check with your local government to see what types of work are considered essential. Whether work inside the building rises to the level of nuisance would be for a court to determine; however, landlords have a duty to maintain the premises and to keep everything in working order. If the landlord is abiding by any local/building noise ordinances, the landlord does not have to guarantee a quiet work environment unless it was detailed in your lease.
COVID-19 Scams and Health Information

I have received texts or emails about a cure or treatment for COVID-19, are these legitimate?
There is no cure, vaccine or approved drug for the treatment of COVID-19 at this time. Research is happening constantly. For the latest updates check with the Centers for Disease Control (CDC) or the World Health Organization (WHO). The WHO has contact information on their site to verify if communication you received is actually from the WHO, as well as an option to report scams of someone pretending to be the WHO.
https://www.who.int/emergencies/diseases/novel-coronavirus-2019

I saw on the news that a certain drug or chemical is effective in treating COVID-19, are these claims true?
There is no approved treatment, effective drug or cure for COVID-19 at this time. Any ads for drugs or vaccines to treat COVID-19 are scams. Do not take or ingest any drug or chemical for the treatment of COVID-19 unless directed to do so by a trusted medical professional. You can continually check the CDC and the WHO websites for the latest health information.

I received texts about my stimulus check or a second round of checks for citizens, what do I do?
The IRS and the U.S. Treasury will not text citizens. Do not click on links sent to you by email or text. Instead go directly to the IRS website to get the correct information. At this time, only one stimulus check has been authorized by the government.
To check the status of your payment, please visit:

I received texts about issues with my stimulus check from my bank, what do I do?
If you received a text from your bank about your stimulus check, contact the number on the back of your debit card or go directly to your bank’s website for information related to your account. If the IRS has an issue with your banking information, or if the IRS has no banking information for you, check the Frequently Asked Questions about how to receive your payment.

I want to donate to COVID-19 relief, how do I know if a charity is legitimate?
It is always important to do research on an organization before donation. The Federal Trade Commission (FTC) has tips for avoiding charity scams, as well as search tools to discover legitimate charities.
Although the CDC is largely funded by Congress, the CDC does accept donations through the CDC Foundation.
https://www.cdcfoundation.org/
The WHO also has a fund you can donate to.
Should I get tested for COVID-19?
If you are experiencing symptoms of COVID-19, contact your primary doctor or local hospital to see if you should get tested. Many people with mild cases can recover at home without medical care. The CDC has a Symptom Checker, which can advise whether you should seek a test or not. This tool is not meant to be a substitution for contacting a medical professional.

The CDC also published more information on the types of tests and who should seek them:

I see home testing kits for COVID-19, should I order one?
Be wary of sites offering testing kits or other health information. The Food and Drug Administration (FDA) has approved one at-home test, however, it must be prescribed by a doctor. You can report scams for testing kits to the FDA through their website.
https://www.fda.gov/consumers/health-fraud-scams

Should I get the COVID-19 antibody test?
As with any medical test, it is best to check with your primary care physician or local hospital to see if the test is necessary. The COVID-19 antibody test is to see if your body has developed antibodies against COVID-19, which would mean you have come in contact with the virus already. Those who test positive for the COVID-19 antibody can donate plasma and blood to contribute to the research of the disease. Donating blood or plasma is a personal choice and any concerns should be brought to your primary care physician.

If I test positive for COVID-19 antibodies that means I’m immune, right?
A positive result for COVID-19 antibodies means that you were previously exposed to the virus. The WHO and other health organizations have found no evidence that these antibodies make a person immune to COVID-19. Whether you test positive or negative, it is important to practice social distancing and wear a mask in public to help contribute to the suppression of the disease.
Seeking an Order of Protection Amid the COVID-19 Outbreak

Can I seek an Order of Protection if the courts are closed?
Many courts are closed for non-essential cases due to COVID-19. The vast majority of courts have continued to hear order of protection/restraining order cases and cases involving children’s safety. Several states and counties have published updated lists of cases the courts are still hearing as well as changes to the procedures for those cases. There has yet to be a national mandate for how the courts are to operate so you will need to go your county courthouse’s website and/or state court site to see if they have published information related to COVID-19.

Some states, such as California, have advised residents to call the police at 9-1-1 with immediate safety issues. The police can have a judge grant an Emergency Order of Protection that will be valid for 30 days instead of the traditional 7 days. These orders in California can be granted 24 hours a day, 7 days a week. Please check with your local court and/or call your local police precinct to see what assistance the police can be in obtaining an order. If you are fearful for your safety, regardless of whether there is an order in place, call 9-1-1 immediately.

My Order of Protection is going to expire soon, can I get it extended?
If you have a permanent order of protection or temporary order of protection, many counties and states have announced that they will be extending those orders 30-90 days to give additional time to schedule hearings. Many of these extensions are being done automatically, however, you should check with the county courthouse where the order was issued for the specific steps your courthouse is taking or any steps you may have to take. If available, you can also request a copy of the extended order.

I do not feel safe in my home, what if I want to leave?
No state’s stay at home order prevents travel when your personal safety is threatened. Regardless of your living situation, you lose no rights by leaving your residence. With many businesses and services suspended, you may want to call police and/or other city information numbers to see what services are available to seek shelter at if you are not planning to stay with friends or family. Your safety is the top priority but when traveling and interacting with other people it is still important to maintain social distance.

The resource below was specifically drafted for New York residents but also has general tips for when staying at home is not the safest option.
https://avp.org/tips-for-when-staying-home-isnt-the-safest-plan/

You can also contact the National Domestic Violence Hotline via email, phone, or chat.
https://www.thehotline.org/help/

The National Domestic Violence Hotline also offers this guidance on staying safe during the COVID-19 outbreak.
https://www.thehotline.org/2020/03/13/staying-safe-during-covid-19/

If I have an order or it was just granted, how do I enforce it?
Once the order is granted it will need to be served on your abuser. You will need to provide the court with an address where it is to be served. The order becomes enforceable once your abuser is served with the paperwork. If the abuser violates the order in any way you can contact the police. While an order of protection is a civil order, violations of it carry criminal charges.
FAQ: Locating Assistance During the COVID-19 Crisis

How do I find local food pantries?
ComPsych recommends that you search https://www.feedingamerica.org/ and enter your ZIP code for local information and resources.

How do I find local rental assistance?
ComPsych recommends that you search https://www.rentassistance.us/ and enter your ZIP code for local information and resources.

How do I find prescription assistance?

How do I find emergency shelter?
ComPsych recommends that you search https://www.homelesshelterdirectory.org/ and then click on your state followed by your county for resources in your area.

How do I find utility assistance?
ComPsych recommends that you search https://liheap.acf.hhs.gov/ for local information and resources. The Low-Income Home Energy Assistance Program (LIHEAP) is a federally funded program that helps low-income households pay their home heating and cooling bills. It operates in every state and the District of Columbia, as well as on most tribal reservations and U.S. territories. The LIHEAP Clearinghouse is an information resource for state, tribal and local LIHEAP providers, and others interested in low-income energy issues. This site is a supplement to the LIHEAP-related information the LIHEAP Clearinghouse currently provides through its phone line (406.494.8662) and newsletter.

How do I find funeral and cremation assistance?
ComPsych recommends that you search https://funerals.org/. You can find a local affiliate, which is arranged by state and then by county or area.

How do I find local elder care resources or a specialist to talk with?
ComPsych recommends that you search https://eldercare.acl.gov/ and enter your ZIP code for local information and resources.

How can I find information about Medicare and covered services?
ComPsych recommends that you search https://www.medicare.gov/ for information about Medicare benefits, plan options, and covered services. You can also contact the Medicare Helpline for assistance: 1.800.MEDICARE (1.800.633.4227).

How can I locate emergency child care information?
ComPsych recommends you visit https://crimcheck.net/resources/child-care-license-verification/ to locate your state’s child care licensing site. Please note that many states are still in the process of configuring emergency child care. Many states are limiting this type of care to first responders and health care workers.

What should I do if daycare options are not available?

These links are being provided as a convenience and for informational purposes only; they do not constitute an endorsement or an approval by ComPsych.
**FinancialConnect®**

**What should I do if I was just laid off?**
You should contact your state’s department of employment security. You can find links to your state’s resources at [https://www.usa.gov/unemployment](https://www.usa.gov/unemployment). Unemployment is a benefit that will provide you a minimal level of income while you are out of work.

**What should I do with my retirement plan?**
First, keep in mind that downturns happen periodically. While the current downturn hit all at once, losses of 30-35 percent do happen. Events such as 9/11, the housing bubble and even Y2K have provided ample evidence of this. Once such an event happens, fear is a natural response. Investment decisions made out of fear are poor decisions. Fearful investors tend to sell after substantial losses. Investors who do sell as a result of fear are often unwilling to get back into the market as things start to improve. This leads to missing out on investment gains as the market recovers.

While it is sensible to regularly revisit your asset allocation and make sure you are not taking too much risk based on factors such as your age, retirement date and income needs, it is probably best not to do this while the market is seeing great levels of volatility or daily change. Those investors who held their positions after 9/11, and didn’t give into their fear, saw their portfolios recover and reach new heights within a year. The same scenario played out about three years after the housing bubble. Someone recently said something appropriate for current conditions: “The time to get off the roller coaster isn’t during the ride.”

**What should I do if I can’t pay my mortgage?**
For federally backed loans from Fannie Mae and Freddie Mac, there are substantial new safeguards in place. Among these safeguards are:
- Providing mortgage forbearance for up to 12 months
- Waiving assessments of penalties and late fees
- Halting all foreclosure sales and evictions of borrowers living in Freddie Mac-owned homes until at least May 17, 2020
- Suspending reporting to credit bureaus of delinquency related to forbearance
- Offering loan modification options that lower payments or keep payments the same after the forbearance period


For loans that are not owned by Fannie Mae or Freddy Mac, the best thing to do is to call the lender directly to discuss your circumstances. Most large lenders are putting plans in place to assist home owners during the pandemic. This help could be in the form of reduced payments or even no payments for a set period of time. The important thing to do is to make sure your lenders know if you, or a partner, have been unable to work as a result of the Covid-19 virus.

**What should I tell my creditors if I am unable to work due to Covid-19?**
There are a number of safeguards that have been put in place to help during the Covid-19 pandemic.
- Federal student loan payments are suspended for two months, backdated to March 15. Interest rates on these loans are reduced to 0% during this period.
- You may also be able to file for a deferment or forbearance for federal student loans. This may give you up to a year in which you do not have to make payments. Interest will continue to accrue.
Many mortgage and home equity lenders are allowing borrowers to skip their payments for the month of March with minimal paperwork.

For consumer debt, car loans or credit cards you should contact your creditors and explain your situation. Many lenders have plans in place to help people who have been affected by Covid-19. Visit https://www.creditkarma.com/advice/credit-card-relief-options/ for more information.

There is a plan in the works to allow retirement plan participants to take in-service distributions from their plans with no tax penalty.

**Will my health insurance continue if I lose my job?**

Almost 50 percent of Americans get their health insurance coverage as a benefit through their employers. A loss of a job usually means a loss of insurance. Here are some options to continue coverage or replace coverage to weather the storm.

- COBRA, or Consolidated Omnibus Budget Reconciliation Act, coverage allows you to extend your coverage for up to 18 months through your former employer’s plan. COBRA is generally available to workers at companies that employed at least 20 employees and can usually be set up through HR. Premiums will likely rise under COBRA as the former employee is required to pay both their part of the premium, the employer’s part and a service fee of up to 3 percent of the premium.

- If you are married you may be able to obtain coverage under a spouse’s plan. This may be a lower-cost option than COBRA.

- If you are under 26 you may be able to obtain coverage through a parent’s plan.

- You may also obtain coverage through the Health Insurance Marketplace if you lose your job due to Covid-19. Premiums may be as much as $450 a month for a silver plan for a single individual, although subsidies may reduce this considerably. Coverage starts the month following the month in which your job was lost. https://www.healthcare.gov/

- You may also qualify for Medicaid if you meet income and asset limits. This link will let you determine if you can obtain coverage through Medicaid. https://www.healthcare.gov/lower-costs/