



April 23, 2020

### **RMAI Commitment to Consumers:**

The members of the Receivables Management Association International (RMAI) interact with consumers across the globe. We live in your communities; we support your local businesses; we employ your neighbors. We also manage the debts consumers owe for things they wanted to buy, things they had to buy and services they needed.

The members of RMAI also know the COVID-19 pandemic has taken all of us by surprise, turned lives upside down and in many cases devastated families economically, medically or both.

To that end, RMAI members want to help. If you are behind in your bills, wondering how to make ends meet or finding yourself spending less because you are housebound, read on for answers to many of the most frequently asked questions (FAQs) by consumers during the COVID-19 crisis.

Stay safe and healthy.

### **FAQs**

**QUESTION #1:** Suddenly all the calls from creditors and debt collectors have stopped? Were my debts forgiven? Does this mean they were paid off?

**ANSWER #1:** No. Some states have ordered your creditors and debt collectors to stop all calls and communications during the state of emergency. This does not mean the debts have gone away. It only means you are not being asked to pay any money at this time.

**QUESTION #2:** If I don't make any payments on the debts I owe during the state of emergency, will I owe the same amount when the state of emergency is lifted?

**ANSWER #2:** Maybe. If you are not making payments on your debts, your creditors may add interest and penalties to the balance, unless a state has prohibited such actions, or the creditor has voluntarily waived the interest. If you would like to know exactly how much you owe and if interest and penalties or other charges are being added to the amount you owe, contact your creditors and debt collectors and ask them for this information.

**QUESTION #3:** I lost my job because of COVID-19 and can barely make ends meet. What should I tell my creditors and debt collectors?

**ANSWER #3:** Creditors and debt collectors understand many consumers are out of work, experiencing other economic setbacks, suffering from COVID-19 or caring for



another who has COVID-19. They are ready to offer their hardship policy program to consumers who need extra help. All you need to do is let them know your situation.

In most cases a customized repayment plan can be arranged, which could include:

- A reduction in the balance you owe
- Waiver of the interest or fees on the account
- Suspension of all interest and penalties during the hardship period
- A very helpful settlement offer

**QUESTION #4:** Is there anything I can do to stop my creditors and debt collectors from calling me? I have no idea when I will be back on my feet.

**ANSWER #4:** Yes. The Fair Debt Collection Practices Act (FDCPA) is a Federal law that provides you with rights, and debt collectors with duties, in connection with the collection of a debt. If you know you owe the debt, but simply cannot pay it back; it would be wise to accept the call from the debt collector. Explain your situation and direct the debt collector to not call back for a period of time such as 30 or 60 days. You could also agree to a payment arrangement where you would pay a small amount each month until the debt is paid in full. You could also ask if settlement of the debt is a possibility.

If you do not believe you owe the debt, you have the right to dispute it, and request more information about the debt and request the name of the original creditor. Submit your dispute and your request for information in writing. This gives you the greatest protection under the FDCPA.

You can either send the dispute and request for more information to the debt collector using traditional mail or by sending an email to the collection agency. Most collection agencies have their email address on their website for this purpose.

If you currently have a debt in collections, you can work with collectors to identify a realistic repayment plan. The Consumer Financial Protection Plan has a number of [resources for contacting and negotiating with debt collection companies](#).

**QUESTION #5:** What if I simply cannot pay my bills?

**ANSWER #5:** If you can't make payments, contact your lenders and your debt collectors. Many lenders have announced proactive measures to help borrowers impacted by COVID-19. As with other natural disasters and emergencies, they may be willing to provide forbearance, loan extensions, a reduction in interest rates, and/or other flexibilities for repayment. Some lenders will not report late payments to credit reporting agencies or are waiving late fees for borrowers in forbearance due to this pandemic. If you feel you [cannot make payments](#), contact your lenders to explain your situation. Be sure to get confirmation of any agreements in writing.



The same is true for payments you owe to debt collectors. Due to the changes in policy made by the lenders, debt collectors, who collect past due debt for lenders, are also able to offer proactive measures to help consumers impacted by COVID-19.

The Consumer Financial Protection Bureau has [resources to help you discuss the impact of COVID-19 on your financial situation](#) with your lenders.

**QUESTION #6:** Can the debt collector ask me if I am receiving a tax refund this year?

**ANSWER #6:** Yes, the debt collector can ask you if you have received a tax refund check or if you expect to receive a tax refund check after you file your income taxes this year. Remember, the government extended the time to file your income taxes to July 15, 2020.

You may use any tax refund you receive to pay off your debts, but you are not required to do so.

**QUESTION #7:** Can the debt collector ask me if I am receiving a COVID-19 payment from the Federal government?

**ANSWER #7:** Debt collectors need to avoid any discussion with you about your COVID-19 payments from the Federal government. The purpose of these funds is to help you meet the basic necessities of life during the state of emergency. BUT, you may choose to use the money to pay off debts and other credit obligations. The decision is up to YOU. Like some other benefits, your creditors and debt collectors cannot garnish your COVID-19 benefits and [cannot have your Social Security or VA benefits garnished](#).

**QUESTION #8:** My family has not suffered financially from the COVID-19 pandemic, and we have not contracted the virus. What should we do with any extra money we have because we are not going out to eat or spending it on clothing or entertainment?

**ANSWER #8:** Many consumers are finding this to be a great time to pay down credit card debt, medical debt and debts owed to debt collectors. Financial advisors agree, consumers should first pay off debts and then use any and all money they can make available to save at least six months of living expenses. Third, consumers should save money for their future.

**QUESTION #9:** I am having difficulty making on-time mortgage payments due to the national coronavirus emergency. Do I have any options?

**ANSWER #9:** Forbearance may be an option for you. Forbearance can help consumers get back on their feet during short-term financial difficulty, but there are a few things you need to know and some important decisions you'll need to make.

Forbearance is when your mortgage servicer, that's the company that sends your mortgage statement and manages your loan, or lender allows you to pause or reduce your payments for a limited period of time.



Forbearance does not erase what you owe. You'll have to repay any missed or reduced payments in the future. So, if you're able to keep up with your payments, keep making them.

For more information about mortgage relief from the Consumer Financial Protection Bureau:

- Read this helpful document [https://files.consumerfinance.gov/f/documents/mortgage-forbearance-cares-act\\_video-transcript.pdf](https://files.consumerfinance.gov/f/documents/mortgage-forbearance-cares-act_video-transcript.pdf)
- Watch this video <https://www.consumerfinance.gov/coronavirus/cares-act-mortgage-forbearance-what-you-need-know/>

**QUESTION #10:** I cannot keep up with my student loan payments. Is there any help available to me during the COVID-19 pandemic?

**ANSWER #10:** For your federally held loans, you don't have to make a payment because your payments will be suspended until September 30, 2020. A new federal law, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, provides automatic suspension of principal and interest payments on federally held student loans through September 30, 2020. These suspended payments will count towards any student loan forgiveness program, if all other requirements of the loan forgiveness program are met.

Click here to learn about some key things you need to know about how this may affect you. <https://www.consumerfinance.gov/about-us/blog/what-you-need-to-know-about-student-loans-and-coronavirus-pandemic/>

[If your student loan is not held by the federal government, your lender may be offering other hardship relief options, but they are not required to do so at this time.](#)

**QUESTION #11:** Is financial help available for members of the military during the COVID-19 emergency?

**ANSWER #11:** According to the Consumer Financial Protection Bureau, servicemembers and military families experiencing coronavirus-related hardship can apply for help through their respective military aid society: [Army Emergency Relief](#), [Navy-Marine Corps Relief Society](#), [Air Force Aid Society](#), or [Coast Guard Mutual Assistance](#). Emergency grants and zero-interest loans may be available to help cover lost pay, childcare costs, rent/mortgage assistance, quarantine expenses, or other financial emergencies. Click here for more information.

<https://www.consumerfinance.gov/about-us/blog/financial-help-servicemembers-coronavirus/>

**QUESTION# 12:** How can I verify whether a debt collector is legitimate?



**ANSWER # 12:** Ask the caller for their name, company, street address, telephone number. If your state licenses debt collectors, also ask for a professional license number. You can refuse to discuss any debt until you get a written "validation notice." Do not give personal or financial information to the caller until you have confirmed it is a legitimate debt collector. Click here to learn more.  
<https://www.consumerfinance.gov/about-us/blog/avoid-scams-find-help-during-quarantine/>.

Additional resources from the Consumer Financial Protection Bureau to help consumers manage their finances during the COVID 19 emergency are available at [Dealing with debt: Tips to help ease the impact](#).

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**About Receivables Management Association International:**

RMAI is a nonprofit trade association committed to consumer financial education and the highest ethical standards for the accounts receivable management industry. Visit RMAI's consumer resource, [FinancialLiteracy.ROCKS](#), for help understanding basic money management skills, managing finances and reducing debt.