

FACT LIST:

MONEY MATTERS DURING THE COVID-19 CRISIS

This information is current as of 3-28-2020.

COVID-19 Payments from the Federal Government

Congress passed a law to provide payments to certain American taxpayers to offset the economic impact of the coronavirus. Many people will receive a one-time direct deposit of up to \$1,200, and married couples will get \$2,400, plus an additional \$500 per child. The payments will be available for incomes up to \$75,000 for individuals and \$150,000 for married couples. This is true even for those who have no income, rely on Social Security benefits, or whose income comes entirely from public benefits.

Unfortunately, the payments will not go to all taxpayers. If you file your taxes using an Individual Taxpayer Identification Number (ITIN) instead of a Social Security number, you are not entitled to get the money.

Filing Income Tax Returns

The Internal Revenue Service delayed the deadline to file by 90 days. This delay pushes the due date to July 15. However, if you are in need of your refunds and don't want to wait so long, call Legal Aid Service of Collier County for help with tax preparation. Call the number at the bottom of the page, call 954-736-2477, or email kguerra@legalaid.org.

Unemployment Benefits

The new law greatly expands the unemployment insurance program. Eligible workers will get an additional \$600 per week for four months, on top of what Florida pays. The deal applies to employees, the self-employed, independent contractors and gig economy workers. Certain eligible workers will have their benefits extended until 12-31-2020.

You can apply for unemployment benefits online at CONNECT.myflorida.com or call 1-800-681-8102. If you are denied, you can appeal. For help with that, contact Legal Aid Service of Collier County.

Paying Rent

The obligation to pay rent to your landlord continues no matter the hardship. If you do not pay rent on time, the landlord can serve a nonpayment of rent notice that demands you pay the rent or vacate the property within three days. If you do neither, the landlord can file an eviction lawsuit in County Court. If you are served with eviction papers, get legal advice immediately. Legal Aid's number is on this paper.

If the landlord gets a judgment of possession, you may still have some time before you have to move. The landlord will not be able to get a Writ of Possession (that is the paper that authorizes the sheriff to put you out of the property) until 4-17-2020. After 4-17-2020, a Writ of Possession can be issued by the Clerk and served by the Sheriff.

Paying the Mortgage

Some folks will get help with their mortgages under the new federal law and some will not. It all depends on the type of mortgage you have.

- **Federally-backed loans.**

A “federally-backed Loan” is a loan for residential property purchased, securitized, owned, insured, or guaranteed by Fannie Mae or Freddie Mac, or owned, insured, or guaranteed by FHA, VA, or USDA.

If you have a federally-backed loan, your servicer may not: start a foreclosure lawsuit, move for a foreclosure judgment, order a sale, or execute a foreclosure-related eviction or foreclosure sale. This in effect (at least) until 5-17-2020. This applies even if you do not have a COVID-19 related hardship.

If the homeowner’s loan is affected by COVID-19, the homeowner can ask the servicer for a forbearance from mortgage payments for up to 180 days. When that is over, the homeowner can request another forbearance for another 180 days. During forbearance, the servicer cannot charge late fees or penalties. However, interest will continue to accrue. The covered period appears to be during the emergency or until December 31, 2020, whichever is earlier.

- **Private loans and mortgages.**

If you do not have a federally-backed loan, you probably have one that is financed by private bank or other lender. Nearly one-third of residential mortgages fall in this category. These homeowners will have to rely on future federal action or state orders. Even so, many private lenders may be willing to talk with you about getting through the crisis. Call your servicer.

Need help figuring out how to handle your mortgage? Call **HELP at (239) 434-2397** or go to **www.floridahelp.org**. It is a Naples nonprofit that deals with mortgage problems. The services are free.

Student Loans

Direct Loan and covered FFEL borrowers will have their payments suspended through 9-30-2020. During this period, the loans shall not accrue any interest. In addition, the suspension period will have no negative credit reporting and there will be no involuntary collection of the loan – no wage garnishments, tax intercepts, offset of federal benefits, or any other collection activity. All borrowers with federally held student loans will automatically have their interest rates set to 0% for a period of at least 60 days.

Note that these protections do not apply to all student loans. Check with your loan servicer.

This sheet is intended for general information purposes only. It is not a substitute for advice from a licensed attorney. If you want advice on your specific situation, talk with a Florida attorney.

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