

ISSUES RELATED TO CONSUMER DEBT

I can't make my car payments and I need my car for work. What help is there for me?

First, call your lender as soon as possible and ask about any program you may qualify for. For instance, your lender may reduce your car payment or allow you to skip a payment and add it to the end of the loan. The lender may offer to refinance your loan all together with a lower interest rate that will reduce your car payment. However, make sure to be aware if the lender is extending the number of months to pay off the loan - for instance your 5-year loan is refinanced into a 7-year loan.

I have been paying my student loans but now that I lost my job, rent and food are my priority. What can I do about my monthly student loan payment?

You may be entitled to some relief, but it depends on the type of student loan you have. Federal student loan borrowers have automatically been placed in an administrative forbearance, which allows you to temporarily stop making your monthly loan payment. This suspension of payments will last until August 31, 2022. The interest rate is 0% through August 31, 2022 on defaulted and non-defaulted federal student loans.

This website gives more information on what the Department of Education is offering: <https://studentaid.gov/announcements-events/coronavirus>.

Private student loans are treated differently. If you have a private student loan, contact your loan administrator right away to see what options are available to you.

I was not able to pay my mortgage payments during the pandemic. What should I do?

If you have an FHA, VA, or USDA mortgage, or a mortgage held by Fannie Mae or Freddie Mac, the federal government provided a moratorium on foreclosures through July 31, 2021. Since that time, foreclosures of these types of mortgages have continued. Foreclosures of non-federally-backed mortgages never formally stopped.

There was a way to stop making payments or stop a foreclosure—even when the foreclosure moratoriums expired—by requesting a “forbearance” from your mortgage servicer. This applied only to federally-backed mortgages as described above. However, the deadline to ask for a forbearance expired already.

But, if you asked for a forbearance within the allowed timeframe, the date your forbearance ends will depend on when you first requested it. The maximum length of forbearance allowed was 18 months if you requested all possible extensions allowed.

If you received a forbearance, your mortgage company cannot make you pay back all your missed monthly payments at once. They must evaluate your situation to determine whether you can repay the missed months through a repayment plan or a loan modification. Some people may get approved for a deferral of payments, which means the payments you missed during your forbearance will be deferred and repaid at the time your home is sold, refinanced, or at mortgage maturity. Before your forbearance ends, your mortgage company is required to communicate with you about how you will repay the missed payments.