



June 25, 2020

Re: Relief for borrowers affected by the COVID-19 crisis

Consumer Reports (CR) writes to urge the adoption of a series of practices that will help ensure that your customers know about and are able to access the COVID-19 related assistance available to them, and we are suggesting further action to ensure that consumers suffering as a result of the current public health and economic crisis can emerge from it without undue hardship.

CR's research and media reports indicate, many lenders are making help available.¹ However consumer stories sent to CR and complaints submitted to the Consumer Financial Protection Bureau indicate that some people seeking help do not feel they are getting the assistance they need.²

Consumers should be able to get clear, reliable information from their creditors about relief options, how to access them, what it takes to qualify. Consumers should also have the opportunity to be resilient without the burden of a bad credit report or having to worry about debt collectors calling. CR is calling on all lenders and loan servicers to ensure they follow through on their promises to do the following, and if they have not adopted these policies to do so:

- Clearly and prominently state on websites, in customer correspondence (including bills), and (if available) in mobile apps the specific types of help and assistance available to customers adversely affected by COVID-19, what it takes to qualify, and the process for enrolling in such help.
- Make an attestation of hardship the only requirement to access relief.
- After receiving inquiries or questions, routinely advise customers when they can expect a response from you. Customers are under pressure to make financial decisions and manage money effectively, and they need to know when they will get an answer to their questions.

¹ See for example, <https://www.wsj.com/articles/lenders-race-to-keep-up-with-requests-for-consumer-debt-relief-1158936220?mod=searchresults&page=1&pos=5>.

² See for example <https://www.consumerreports.org/credit-cards/what-to-do-when-your-bank-is-slow-to-fix-credit-card-problems/>.

- Report any consumer with an accommodation as current to credit reporting agencies.
- Automatically waive all late fees and other penalties for the duration of the crisis and for at least 180 days after.
- Commit to not calling the entire account due when forbearance periods ends, and offer consumers manageable paths to repayment based on the consumers ability to repay.
- For consumers that are unable to resume payments after relief ends, commit to refraining from referring those accounts to debt collectors for at least one year after the declared emergency ends.
- Automatically enroll consumers in forbearance or other relief programs when the account becomes 30 days delinquent.
- In addition to the above, provide consumers with links to government resources for consumers whose finances are impacted by the pandemic.

Should these consumer-centric policies be adopted, people suffering economic impacts of COVID-19 will have greater financial flexibility and peace of mind. Nobody should face unnecessary financial hardship due to this emergency. To that end, CR is calling on all lenders and loan servicers to adopt these policies and provide consumers the broad relief they need.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Syed Ejaz', written in a cursive style.

Syed Ejaz
Analyst, Financial Policy