



September 21, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

Re: the urgent need for economic help for those affected by the Coronavirus (COVID-19) pandemic

Dear Leaders McConnell and Schumer:

As the COVID-19 pandemic drags on, the financial safety margin in many households is narrow, and starting to close. Millions of Americans are struggling to meet basic needs, such as food, housing, and utilities. Everywhere, there is tremendous uncertainty about the future, with many unsure how long their households can stay afloat financially.

Americans are understandably frustrated that the Senate appears deadlocked and unable to pass legislation to address the enormous scope of this economic crisis. We are writing, once again, to urge you to redouble your efforts and act quickly to enact a comprehensive, consumer-focused relief bill that will enable these Americans to stay afloat during this pandemic.

Since April, Consumer Reports has been meeting with a panel of financially impacted Americans monthly, and has heard directly about the pain and uncertainty they face. Their stories starkly illustrate why Congress must act to relieve the suffering of those who've lost their jobs or income due to the pandemic.

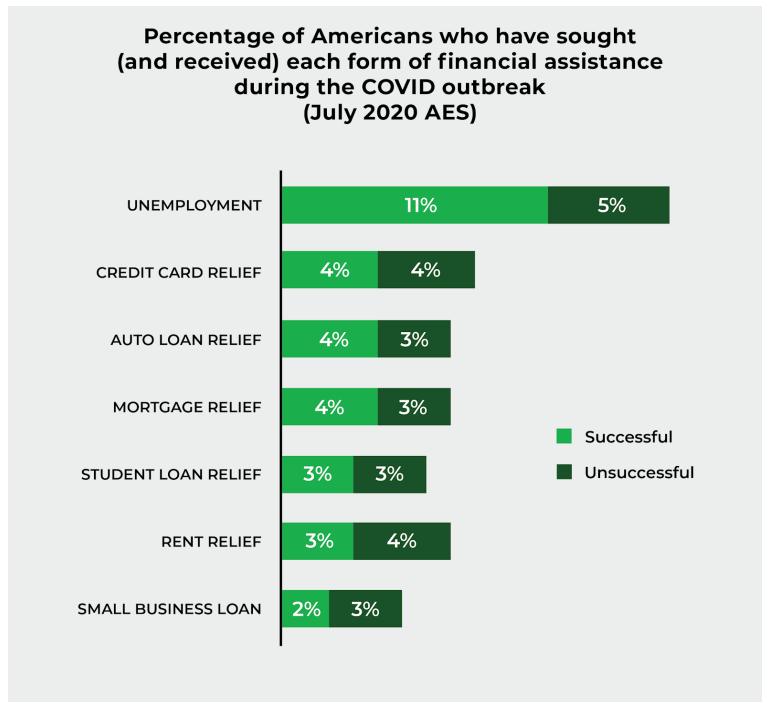
CR staff conduct online discussions with panel members each month to understand how their households are faring financially over time. These regular check-ins enable us to see challenges in real time so CR can act proactively on behalf of consumers. The challenges of dealing with intense stress, the struggle to meet basic needs, and profound uncertainty are recurring themes we've heard from the panel. LaToya, a participant in the CR panel, shared this with CR in September:

I'm having anxiety about money still because we are having to continue being behind on rent and utilities. Even though we are using the extensions I worry that we might not have the money by those dates either. And we are still a month behind on rent and have gotten a letter saying they will start the eviction process but they haven't started it.

Many panelists described the increased financial stress they are experiencing now that extended unemployment benefits have ended. Karen told CR:

I am still unemployed and now receiving only \$210.00 per week in unemployment benefits. I was accepted to interview for a work from home job but the day of the interview it got cancelled because the employer advised they do not hire in New York. You have no clue how disappointing that was. So, I will have to keep applying. I have now started to use my credit cards especially when it comes to grocery shopping. I have also been a month late on my cell phone bill. I was always on time with my bills and never used credit cards to buy food. ... Every day this gets harder and harder. As far as the future goes I have been thinking about putting my house up for sale and perhaps getting one smaller than what I have now. The future looks scary to me.

People need real help, and they are not getting it. In May, and then again in July, the Consumer Reports (CR) survey team used its monthly American Experiences Survey to track the percentage of Americans who not only sought but actually received financial assistance. As of mid-July, more than one in 10 Americans were seeking help to keep a roof over their heads, and that was before the \$600 unemployment insurance supplement ended. In other words, by mid-July well over 20 million American adults had sought housing relief. The survey data also bear out that *applying* for assistance does not guarantee you will *receive* assistance:



As the top bar of the chart shows, of the 16% of US adults who applied for unemployment since the pandemic started, only about two-thirds were successful. That was actually a notable improvement from May when only about half who applied had received unemployment benefits. And as you can see in the rest of the chart, for the other forms of financial assistance CR asked about, including rent and mortgage relief, student loan relief, and credit card relief, only about half of those who sought assistance were successful getting the help they need.

Congress must act to deliver real help to families impacted by the COVID crisis. People are doing what they can, but need more assistance, as Kristina's situation illustrates:

Due to lockdown and layoffs, I can only work one job currently so I am not eligible for unemployment even though I need more than one job to make ends meet. I have been unable to find another part time job and businesses are not even hiring their previous employees back yet for the most part..everything is in an uncomfortable status quo.

People need help and expect Congress to act. As Ron told CR in September:

The \$600 supplement has phased out and even though there is talk about continuing with some amount of supplement, it hasn't been voted on. This really cuts into our available funds, hopefully relief will come sooner than later from congress.

In a July letter, attached, we urged you to put consumers first and pass a comprehensive consumer-focused COVID-19 relief package focused on both financial hardships discussed above and American's safety. The provisions we sought then remain essential today - two months later. As is described in further detail in the attached letter, we urge the Senate to :

Enhance Financial Resiliency

- **End surprise medical bills.**
- **Protect borrowers with education debt.**
- **Extend mortgage relief options** to all types of residential loans and properties.
- **Prohibit negative credit reporting** for the duration of the crisis and beyond.

Prevent Unfair and Predatory Behavior

- **Adopt a 36% federal rate cap for all loans.**
- **Prohibit price gouging** on essential items.
- **Require refunds** for all airline travel cancelled due to COVID-19.

Keep Americans Healthy and Safe

- **Preserve access to utilities** by enacting a moratorium on all utility service cut-offs, including electric, water and internet service providers (ISPs); barring utility providers from charging late or reconnection fees; and implementing workable plans for consumers to catch up in due time.
- **Enhance broadband access** by providing a government reimbursement for internet service for laid off and low-income individuals.

- **Set mandates for health and safety procedures** during air travel.
- **Ensure Americans remain protected by existing law** when working, shopping, or otherwise participating in the economy.¹

Conclusion

Consumers are urgently waiting for Congress to take broad action to protect them from the financial impacts of the COVID crisis. While Congress fails to act, people continue to suffer. Congress must enact the above protections in the next COVID-relief package and ensure that consumers emerge from this crisis able to recover.

Sincerely,

Anna Laitin
Director, Financial Fairness and Legislative Strategy

Cc: U.S. Senators

¹ Each of these is discussed in more detail in our July 20, 2020 letter to Congress urging COVID relief, available here:
<https://advocacy.consumerreports.org/wp-content/uploads/2020/07/CR-Letter-re-Relief-Bill-072020.pdf>.