



U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES

– CHAIRWOMAN MAXINE WATERS –

FREQUENTLY ASKED QUESTIONS ABOUT THE FEDERAL RESPONSE TO THE CORONAVIRUS (COVID-19) PANDEMIC

Prepared by Majority Staff of the House Financial Services Committee

This document was designed by the Majority staff of the House Financial Services Committee to provide additional information for consumers, renters, homeowners, small business owners, investors and others who may have questions about how the CARES Act will benefit them.

Chairwoman Waters and Financial Services Committee Members authored numerous provisions that were included in the CARES Act and continue their efforts to ensure their critical [legislation](#) is included in the ongoing legislative response to this crisis.

Stimulus Payments and Potential for Fraud

Q. Who has access to stimulus payments from the IRS under this bill?

A. The Coronavirus Aid, Relief, and Economic Security (CARES) Act ([P.L. 116-136](#)), which was signed into law on March 27, 2020, establishes a refundable tax credit, paid in cash based on 2019 tax filings, though Treasury may use 2018 tax filings for those who have not submitted 2019 taxes yet (the deadline to file 2019 federal taxes has been delayed to [July 15, 2020](#), state tax deadlines may vary). [Reportedly](#), eligible individuals who have used direct deposit with the Internal Revenue Service (IRS) should start receiving payments within the next three weeks and depending on your income level, individual adults can receive up to \$1,200, joint filers can receive up to \$2,400, plus filers can receive an additional \$500 for every qualifying child under 17. Those payments phase out for single filers who made more than \$75,000, head of households who made more than \$112,500, and joint filers who made more than \$150,000. Eligible individuals must have a Social Security number in order to receive payments and recipients of payment should expect communication from the IRS within 15 days of payment. If you receive a notification of payment but did not receive a payment contact the IRS. Furthermore, you may still qualify for the advanced refund if you receive Social Security ([Direct Express Debit Card](#)) or other social benefits. According to the [IRS](#), these payments will not be taxable nor represent “resources” for program eligibility purposes.

This cash assistance should not be denied to individuals who lack a permanent address, a bank account, or who haven’t filed their taxes for 2018 or 2019; however, the IRS will likely need further information in order to process payments for these people. For more information on whether you qualify, how to access the cash assistance provided for in the bill, and how the IRS intends to implement the payments please visit www.irs.gov/coronavirus. For connecting with the IRS by telephone, individuals may call 800-829-1040 (7 a.m. to 7 p.m. local time), however the IRS warns that due to limited staffing, individuals may experience longer than usual wait time or be unable to get through via telephone. This [FAQs document](#) prepared by the House Ways & Means Committee also provides helpful information. People experiencing homelessness can also reach out to a local homeless service provider for help accessing the funding.

Q. Will the IRS contact individuals to obtain bank account information, Social Security numbers, or other personally identifiable information in order to distribute stimulus payments?

A. No. Beware of anyone claiming to be calling, texting, or emailing from the IRS seeking your personally identifiable information. The IRS will automatically distribute stimulus payments to eligible individuals either electronically where possible or by mailing a check. If you don’t file tax returns and receive Social Security benefits, the Social Security Administration will share your information with the IRS so eligible beneficiaries will receive their stimulus payments. For other eligible individuals who do not file tax returns, the IRS will initiate a public awareness campaign to provide information on how they can receive their stimulus payments. For the latest

information on stimulus payments go to the Internal Revenue Service's webpage on Coronavirus, available [here](#). The Consumer Financial Protection Bureau (CFPB) has created a webpage on Coronavirus-related scams, including for fraudulent vaccines, test kits, charities, and social security benefits, which is accessible [here](#). You can also contact the CFPB via telephone by calling (855) 411-2372.

Q. What if a company or individual claims they are able to increase your stimulus payment or shorten the amount of time until you receive it?

A. Beware of any companies or individuals seeking to charge you a fee in exchange for increasing or expediting your stimulus payments. The IRS will determine the amount of your payment based on your family size and income. The bill requires stimulus payments go out "as rapidly as possible," including through direct deposit based on information the government has on file from previous tax returns. Paying a third party will not increase or speed up delivery of your stimulus payment. More information from the Internal Revenue Service on stimulus payments is available <https://www.irs.gov/coronavirus>.

The Consumer Financial Protection Bureau has also released information on how consumers can spot and avoid fraud. For more information please visit the [CFPB's webpage](#) on Coronavirus-related scams.

Q. What if a company or individual claims to be affiliated with IRS or other governmental agencies seeking to help individuals receive their stimulus payments?

A. Be aware of scams, including anyone claiming to be affiliated with the IRS or displaying a seal or logo representing the U.S. government in correspondence, emails, or on the internet. Refer to the official government agency website for information. For the latest information on stimulus payments go to the Internal Revenue Service's webpage on Coronavirus, available [here](#).

People Experiencing Homelessness

Q. What kind of assistance is provided for people experiencing homelessness under this bill?

A. The bill provides \$4 billion for Emergency Solutions Grants, which is an existing federal homeless assistance grant program. ESG funds can be used for emergency shelter, homelessness prevention, including short- or medium-term rental assistance for people who are homeless or at risk of homelessness, and supportive services. In addition, under the bill the program has been slightly modified to meet the needs of the current situation, and can be used for temporary emergency shelters, without the need for habitability and environmental review, as well as to train staff on disease prevention and mitigation, and for hazard pay. An amount has also been set aside for technical assistance for health care services

Q. How can people experiencing homelessness access this assistance?

A. Local Continuums of Care (CoCs) that administer federal homeless assistance grants are required to have a "coordinated entry system" so that no matter where or how you present yourself, you should be connected to the right resources. If you are experiencing homelessness, or think you are at risk of losing your housing, you can go to the nearest homeless shelter or other homeless provider to seek assistance.

Renters

Q. What kind of relief is provided for renters under this bill?

A. For renters living in "covered dwellings" (see next Q&A below for this definition), this bill provides a temporary moratorium on evictions as well as late fees for nonpayment of rent or other charges for a period of 120 days starting on March 27, 2020. Further, landlords would not be allowed to issue a notice to vacate until after this temporary moratorium and they would not be allowed to require a tenant to actually vacate the unit until 30 days after the notice is given. Renters should be advised that the moratorium only applies to evictions for nonpayment of rent, not for other causes. Renters should also be advised that although they may be protected from eviction proceedings temporarily under this bill, the bill does not treat nonpayment of rent during this period as forgiven and these unpaid amounts will accrue during this period even if fees are not assessed.

Renters should not have to do anything to benefit from this prohibition on evictions and late fees. Renters who believe their landlord is out of compliance with these provisions should contact their local legal aid or the relevant

federal agency (i.e. the agency providing subsidies or federal mortgage backing for the property; see the next Q&A below for more info).

Q. What is a “covered dwelling”?

A. Renters are protected by this temporary moratorium on evictions and late fees if they live in a “covered dwelling,” which can generally be defined as a rental home that is receiving federal subsidies or a property with a federally backed mortgage. Specifically, this includes rental housing supported by the following federal housing programs:

- Public housing;
- Section 8 Housing Choice Vouchers;
- Section 8 Project-Based Rental Assistance;
- Section 202 Supportive Housing for the Elderly;
- Section 811 Supportive Housing for Persons with Disabilities;
- Housing Opportunities for Persons With AIDS (HOPWA);
- McKinney-Vento Homeless Assistance grants;
- Section 236 Preservation program;
- HOME investment partnerships;
- Rural Development multifamily housing (Section 516 Farm Labor Housing Grants, Section 542 Rural Development Vouchers, Section 521 Rural Rental Assistance, Section 533 Housing Preservation grants);
- the Low Income Housing Tax Credit (LIHTC) program;

It also includes rental housing with a single-family or multifamily mortgage that is

- purchased or securitized by Fannie Mae or Freddie Mac;
- insured by the Federal Housing Administration (FHA);
- guaranteed, directly provided by, or insured by the Department of Veterans Affairs (VA);
- guaranteed, directly provided by, or insured by the Department of Agriculture (USDA); or
- guaranteed under HUD’s Native American or Native Hawaiian Home Loan Guarantee programs.

Some renters will know that their home is included because they recognize the name of a federal housing program on the list above that they had to apply and qualify for. However, if you’re not sure whether your rental unit is included, you can search the [National Preservation Database](#), which includes most of the covered dwellings, but not all.

Q. Is there any other assistance provided that will actually lower rental payments?

A. Renters receiving federal rental assistance can request an income recertification at any time to adjust their rent payment to account for any loss of income. Renters receiving federal rental assistance should contact their local public housing agency or landlord immediately to request an income recertification or a hardship exemption if they have experienced a loss of income.

Homeowners

Q. Who is eligible for homeowner assistance under this bill?

A. Homeowners with “federally backed mortgages” are eligible for assistance under this bill. Federally backed mortgages are defined as mortgages for single-family homes that are:

- purchased or securitized by Fannie Mae or Freddie Mac;
- insured by the Federal Housing Administration (FHA), including reverse mortgages or Home Equity Conversion Mortgages (HECMs);
- guaranteed, directly provided by, or insured by the Department of Veterans Affairs (VA);
- guaranteed, directly provided by, or insured by the Department of Agriculture (USDA); or
- guaranteed under HUD’s Native American or Native Hawaiian Home Loan Guarantee programs.

Homeowners that do not know whether their mortgage fits this definition, should reach out to their mortgage servicer to find out. Your mortgage servicer is the company that you send your mortgage payments to each month. For context, 70 percent of mortgages in the current market are federally backed. Homeowners with mortgages that are not federally backed are unfortunately not covered under the CARES Act (however, see the next Q&A below).

Q. What should homeowners do if they are not eligible to receive assistance under this bill?

A. Although homeowners with mortgages that are not federally backed are not technically covered under the CARES Act, some lenders are voluntarily aligning the relief they are providing with the relief provided for federally backed mortgages, so it is still possible that homeowners without federally backed mortgages will have access to similar relief. Reaching out to your servicer is the best way to find out what relief is available to you.

Q. What kind of assistance is available for eligible homeowners under this bill?

A. Homeowners are provided with a foreclosure moratorium of at least 60 days starting on March 18, 2020. This includes the initiation of new foreclosures as well as the continuation of foreclosures that had already been initiated; this does not include vacant or abandoned properties. They are also provided with the right to request and receive forbearance on their mortgage payments for up to 6 months, with the option to extend for an additional 6 months (total max of 1 year), as well as the option to discontinue the forbearance at any time. During the forbearance period, servicers are prohibited from charging fees or interest beyond what the borrower would have had to pay if they were making their payments as scheduled.

Homeowners should be advised that a mortgage forbearance is not a forgiveness of debt, and that they will have to work out a loan modification or repayment plan with their servicer at the end of the forbearance period to resume making payments, including all missed payments. The CARES Act is silent as to the kinds of loan modifications that will be offered after the term of forbearance, but a common type of loan modification following a forbearance period extends the mortgage term for the length of the forbearance to allow the homeowner to resume making payments in an amount that is very similar to what they were paying prior to the forbearance. Homeowners are encouraged to ask their servicers about these details and seek out housing counseling assistance as appropriate. You can look up a HUD-approved housing counseling agency [here](#).

Q. What do eligible homeowners need to do to access this assistance?

A. Homeowners who are suffering financial hardship, directly or indirectly related to COVID-19 should contact their servicer to request a forbearance. Homeowners will have to attest to financial hardship caused directly or indirectly by COVID-19 to receive a forbearance but are not required to provide any further documentation to prove such financial hardship.

Homeowners who are facing foreclosure should not have to do anything further and should immediately benefit from the foreclosure moratorium. If a homeowner is subject to an initiation of foreclosure proceedings, a continuation of foreclosure proceedings, or a foreclosure related eviction within the 60-day period beginning on March 18, 2020, they should contact their servicer immediately to receive an explanation as to why this activity has not been halted. If servicers are unresponsive and/or continue to be noncompliant, homeowners can contact the relevant federal agency or entity that is backing their mortgage or seek out legal assistance. You may want to submit a complaint with the Consumer Financial Protection Bureau through their complaints webpage, available [here](#). You can also contact the CFPB via telephone by calling (855) 411-2372.

Q. What about third parties claiming to assist borrowers facing foreclosure?

A. Beware of scams, including anyone seeking to charge you for accessing the foreclosure relief provided under the bill. The bill provides a 60-day moratorium on foreclosures starting on March 18, 2020. Homeowners facing foreclosure should not have to take any action to benefit from the foreclosure moratorium. Immediately contact your servicer if you are subject to an initiation of foreclosure proceedings, a continuation of foreclosure proceedings, or a foreclosure related eviction within the 60-day period beginning on March 18, 2020. If your servicer is unresponsive and/or continue to be noncompliant contact the relevant federal agency or entity that is backing their mortgage or seek out legal assistance.

Q. What about third parties offering to assist borrowers eligible for forbearance on their mortgages under the bill?

A. Beware on anyone seeking to charge you for accessing the relief provided under the bill. The bill provides eligible borrowers the right to request and receive forbearance on their mortgage payments for up to 6 months, with the option to extend for an additional 6 months (total max of 1 year), as well as the option to discontinue the forbearance at any time. Contact your mortgage servicer to determine whether your mortgage is eligible for forbearance under the bill. You do not need to pay any fees if you are eligible to receive these benefits. Eligible homeowners, however, do need to contact their servicer to request a forbearance.

Q. What about third parties offering struggling borrowers assistance in modifying the terms of their mortgage?

A. Beware of anyone charging you in advance for assistance in modifying the terms of your mortgage. In most circumstances, it is unlawful to charge fees in advance for a mortgage modification. Contact your servicer to inquire about options for modifying the terms of your mortgage.

Rental Property Owners

Q. What kind of assistance is available to rental property owners under this bill?

A. Rental property owners with federally backed mortgages who may be having difficulty making mortgage payments due to nonpayment of rent will have access to mortgage forbearance. Single-family (1-4 units) rental property owners will have access to the same relief as single-family homeowners described above. Certain multifamily (5 or more units) rental property owners with federally backed loans will have access to forbearance for a period of 30 days, and that period can be extended for up to 2 additional 30-day periods upon request, with the option to discontinue the forbearance at any point. Some lenders may voluntarily provide forbearance or other relief even if they are not federally backed loans. Rental property owners should reach out to their mortgage servicers if they need assistance, regardless of whether their loan is federally backed.

Anti-Discrimination in Housing and Lending

Q. What are my fair housing and fair lending rights?

A. The Fair Housing Act of 1968 (FHA) prohibits discrimination in the sale, rental, and financing of housing based on race, color, sex, religion, national origin, familial status, and disability. The FHA also requires recipients of federal housing funding to take steps to affirmatively further fair housing; this includes funding provided in the CARES Act. Find out more about the FHA [here](#).

The Equal Credit Opportunity Act of 1974 (ECOA) prohibits discrimination based on race, color, religion, national origin, sex, marital status, age, or because you receive public assistance in financial lending transactions, including in mortgage lending. This includes accessing mortgage assistance provided under the CARES Act. Find out more about ECOA from the CFPB [here](#) and the FTC [here](#)

Q. What kind of housing and lending discrimination should I look out for during the COVID-19 pandemic?

A. If someone engages in housing or lending discrimination against someone on the basis of knowledge or perception that they are infected with COVID-19, this could be covered under the FHA or ECOA. For example, there have been reports of increased discrimination against Asian Americans on the basis of their race, ethnicity, or national origin. Such discrimination could include denial of an application for rental housing or mortgage, as well as scams that target protected classes for predatory products. It could also include housing-related hate crimes where someone “threatens, intimidates, or interferes with a person’s enjoyment of a dwelling” (24 CFR § 100.400). Such hate crimes may include assault, arson, criminal threats and statements, or vandalism.

Q. Who should I contact if I believe I’ve been discriminated against when trying to access housing or applying for forbearance?

A. If you believe your fair housing rights have been violated, you should contact the Department of Housing and Urban Development online, by phone, or email [here](#). If you believe your fair lending rights have been violated, you should file a complaint with your lending institution, the Department of Housing and Urban Development [here](#), or with the Consumer Financial Protection Bureau [here](#).

Student Loan Borrowers

Q. Do I need to make student loan payments during this crisis?

A. The CARES Act provides borrowers with most federal loan various relief. The bill suspends payments and interest accrual on most federal loans until September 30, 2020. The suspension of payments would not adversely impact borrower's eligibility for loan forgiveness. Additionally, the bill suspends debt collection on federal student loans – prohibiting wage garnishment, tax seizure, and benefits reduction. Monitor the Department of Education's Office of Federal Student Aid website for the latest updates, which is available [here](#), or call them at 1-800-872-5327.

Please note that, while debt collection is paused for eligible federal student loans, debt collection may continue for other consumer loan obligations.

Q. What types of student loans are covered?

A. All loans owned by the Department of Education will be covered under the CARES Act, including having interest waived and payment suspended. Eligible loans include Direct Loans, Federal Perkins Loans, and Federal Family Education Loan (FFEL) Program loans held by the Department of Education. However, FFEL Program loans that are owned by private lenders, and some Perkins Loans which are owned by the college or university you attended, are not covered. Private student loans are not eligible for protection, but you can contact your private student loan servicer to see if they, in their discretion, will provide some payment or interest relief.

Q. Who should I contact if my servicer is still taking my student loan payments?

A. If you're having issues with your student loans, you may want to contact your student loan servicer first. To find out who your student loan servicer is, you can call Federal Student Aid at 1-800-433-3243.

If your student loan servicer is unable to assist you, you may want to submit a complaint with the Consumer Financial Protection Bureau through their complaints webpage, available [here](#). You can also contact the CFPB via telephone by calling (855) 411-2372.

Q. What about third parties offering assistance in accessing the student loan relief provided in the bill?

A. Beware of any individuals or companies offering to cancel or lower your student loan payments in exchange for an upfront fee. Borrowers with federal student loans struggling to make their payments can access for free various repayment programs offered by the Department of Education.

- For information on income-driven repayment plans, visit the Department of Education's Office of Federal Student Aid webpage [here](#). Additional information on avoid student debt relief scams is available [here](#). To contact the Department of Education regarding defaulted loans via telephone, you can call at 1-800-621-3115.

Credit Scores and Credit Reports

Q. How will my non-payments of credit cards or bills affect my credit report and credit score?

A. If you are approved for a forbearance, a payment delay, or other payment arrangement with your creditor or servicer, and you are current on your accounts, then the creditor or servicer will continue to report you to the credit rating agencies (or CRAs) as current or up-to-date. In this case, your credit report and score would not be negatively impacted by these non- or delayed payments during the covered period of the arrangement. Unfortunately, if you were already reported to be behind on payments prior to the payment arrangement, the creditor or servicer can continue to report you as late to the CRAs, meaning continued non-payments may be treated negatively on your credit report and score.

Federal student loan payments, which are suspended through September 2020, are treated on credit reports as if the payments are made. Therefore, if you are unable to make payments on your federal student loan, non-payments through September 2020 will not negatively impact your credit report and score.

Q. Where can I obtain more information on addressing problems or credits with my credit report if the Consumer Reporting Agencies I contact are not responsive to my needs or questions?

A. You can contact the following agencies and offices for further assistance:

- Consumer Financial Protection Bureau (CFPB) consumer [complaint portal](#). You may also call the toll-free phone number at 1-855-411-CFPB (2372) or TTY/TDD phone number at 1-855-729-CFPB (2372)
- Federal Trade Commission (FTC) consumer complaint [portal](#). You may also call the FTC Consumer Response Center at 1-877-FTC-HELP (1-877-382-4357).
- You can get information on how to contact the Attorney General for your state or territory online [here](#) or by phone at 1-844-USA-GOV1 (1-844-872-4681).

Q. Since I am experiencing financial hardship and have fallen behind on my bills, can a third party help repair my credit?

A. The CARES Act suspends negative credit reporting for eligible federal student loan payments only, but not for any other loan obligation. However, if accommodations are made by creditors to current accounts (such as forbearance or partial payments), those accounts will continue to remain current. The suspension of student loan payments under the bill will not adversely impact your credit. Beware of any individuals or companies offering to fix or improve your credit for a fee. Under the Credit Repair Organizations Act, it is unlawful to charge upfront fees for credit repair services. For information on how to avoid credit repair scams, more information from the Consumer Financial Protection Bureau is available [here](#). You can also contact the CFPB via telephone by calling (855) 411-2372.

Consumer and Investor Fraud

Q. What action can I take if I have been a victim of fraud?

A. If you think you have been the victim of fraud related to the coronavirus, you can submit a complaint with the Consumer Financial Protection Bureau through their complaints webpage, available [here](#). You can also contact the CFPB via telephone by calling (855) 411-2372. Additionally, you can file a complaint with the Federal Trade Commission (FTC), with information [here](#), and a complaints page [here](#). You can also file a consumer complaint with the FTC by calling 1-877-382-4357.

Additionally, you can also report the fraud to your state Attorney General's office. Contact information for each state attorney general is available [here](#). You may also want to contact your local police or sheriff's office. Finally, some states have a Student Loan Ombudsperson or Student Loan Advocate – you can find a list of those resources [here](#).

Q. What should I do if I think someone fraudulently obtained your personally identifiable information such as your Social Security number, bank account information, or credit card number?

A. If you think you have been the victim of identity theft contact one of the three major credit bureaus to place a fraud alert. A fraud alert obliges creditors to verify your identity before opening a new account, providing an additional card or increasing the credit line on an existing account. You do not need to place of fraud alert with all three credit bureaus. Once you place a fraud alert with one credit bureau, that company must contact the other two credit bureaus.

For additional information on steps to take if you have been the victim of identity theft visit the CFPB's identity theft webpage, available [here](#), or contact the CFPB via telephone by calling (855) 411-2372. The FTC's identity theft webpage is available [here](#), and you can reach the FTC via telephone by calling 1-877-382-4357. You can also contact the Internal Revenue Service's through their webpage on identity theft, available [here](#),

Additional consumer resources related to Coronavirus:

- Consumer Financial Protection Bureau's [Fraud and Scams webpage](#)
- Consumer Financial Protection Bureau's webpage on [scams related to the Coronavirus](#)
- Federal Trade Commission's Consumer Information [webpage](#)
- Federal Trade Commission's webpage on [sellers of scam Coronavirus treatments](#)

Q. Where can I report potential fraudulent securities offerings, manipulation, insider trading, false or misleading statements, and other information related to potential investor scams?

A. Members of the public (whistleblowers and non-whistleblowers) are strongly encouraged to submit tips, complaints, and referrals (TCRs) using the online system and complaint form of the Securities and Exchange Commission (SEC). TCRs may include fraudulent securities offerings like Ponzi or pyramid schemes, theft or misappropriation of funds or securities, manipulation of a security's price or volume, insider trading, false or misleading statements about a company, failure to file required reports with the SEC, improper payments to foreign officials, or fraudulent transactions or conduct. When your TCR is submitted online, you will receive a notice confirming that your submission was received and the submission number for your records. You will need to provide information about what you're complaining about, who you're complaining about, which investment products are involved, and your contact information. The SEC's online TCR system can be accessed at <https://www.sec.gov/tcr>.

Q. Where can I report problems with my investments, investment account, or a financial professional?

A. Members of the public who wish to report a problem with their investments, investment account, or a financial professional can submit complaints to the SEC online [here](#). Complaints may include issues with order handling or trade execution, delivery of funds or securities, dividends, fees or commissions, inaccurate or misleading disclosures, suitability, pension plans or retirement accounts, or opening, transferring, or closing an account. The online form can also be printed and submitted via mail to U.S. Securities and Exchange Commission, Office of Investor Education and Advocacy, 100 F Street, N.E., Washington, DC 20549-0213, or by fax to (202) 772-9295.

Additional Consumer Concerns

Q. Are my deposits safe at my local bank or credit union? Will there be enough cash during a pandemic or other national disaster?

A. Under the CARES Act, the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA), the two federal agencies responsible for insuring customer deposits, reauthorized the Transaction Account Guarantee (TAG) Program. The program allows the FDIC and NCUA to fully guarantee your non-interest-bearing accounts, even beyond the current \$250,000 limit. For more information from the FDIC and NCUA about deposit insurance, see background information they have [here](#) and [here](#).

Q. I am no longer working or saw my hours reduced due to COVID-19 and don't have the income to live on and meet my payments. If I miss some loan payments, how will this affect me? Will I be charged late fees?

A. Immediately contact your creditors if you do not think you can pay your bills or make credit card or loan payments on time. Paying your debts late or not at all may result in penalties, interest charges, and damage to your credit score. Your creditors may be able to provide forbearance or otherwise work with you on a solution, but it is important to contact them as soon as possible to discuss your situation.

Federal and state banking regulatory agencies have issued guidance and encouraged banks and credit unions to be flexible during this time and work with customers affected by COVID-19. Specifically, the Federal Reserve, FDIC, OCC, NCUA, CFPB, and CSBS issued [guidance](#) on March 9, 2020, that said, "Regulators note that financial institutions should work constructively with borrowers and other customers in affected communities. Prudent efforts that are consistent with safe and sound lending practices should not be subject to examiner criticism."

For more information, see this [FAQs document for bank customers](#) prepared by the FDIC.

Assistance for Small Businesses

Q. I currently own a small business, but am unable to pay my bills. Am I eligible for any type of relief or financial assistance?

A. Yes, small business owners are eligible for various types of federal assistance to help struggling business owners stay in business, including offering loan forgiveness for expenses related to utilities, rent, interest on mortgages, and payroll. In addition, for small business owners seeking financial assistance, access to funds will be available through lending programs provided by the Small Business Administration (SBA) and Federal Reserve. Entities who may be adversely impacted as a result of missed revenue due to loan forgiveness are also eligible for federal assistance

through the SBA and Federal Reserve. More information about the options available can be found [here](#).

Q. I'm a small business owner and am in need of assistance due to missed utility, rent, mortgage, or payroll payments – am I eligible for any relief?

A. Yes, the CARES Act provides Coronavirus-related loan forgiveness to small businesses for specific payment obligations such as utilities, rent, interest on mortgages, and payroll. Struggling small businesses will have access to funds to cover their immediate costs through Small Business Administration loans. For more information, see the Small Business Administration's webpage on Coronavirus, available [here](#), or call 1-800-659-2955.

Minority-Owned Businesses

Q. How does this bill support minority businesses?

A. This bill provides \$10 million to fund the Minority Business Development Agency, a federal agency created specifically to foster the establishment and growth of minority-owned businesses (businesses that are 51% or more owned or controlled by African American, Hispanic American, Asian and Pacific Islander, and Native American individuals) in America that offers its services through a network of business centers and initiative grantees located across the country in areas with the largest concentration of minority populations and the highest number of minority businesses.

Q. What types of resources do MBDA business centers provide?

A. MBDA business centers provide a range of services to minority-owned firms seeking to expand to new markets, both foreign and domestic. The range of technical assistance and business services offered include business consulting, private equity, and venture capital opportunities, facilitating joint ventures and strategic partnerships.

Q. How much do MBDA business center services cost?

A. The services are provided on a fee-for-service basis to qualified minority business enterprises by MBDA business center operators.

Q. Where can I find an MBDA business center?

A. To locate an MBDA Business Center near you, please visit [this website](#).

Treasury and Federal Reserve Lending Programs

Q. Will Treasury or the Federal Reserve support small businesses with the \$500 billion in taxpayer funds Congress gave them, and what businesses are eligible?

A. Small businesses are included as an "eligible business" that may be able to apply for certain programs set up by the Department of Treasury in coordination with the Federal Reserve under the CARES Act. The Treasury Department is required to publish application procedures and minimum requirements for programs that are available to passenger air carriers and related businesses, cargo air carriers, and businesses critical to maintaining national security no later than April 6, 2020 (10 days after enactment of the CARES Act), and the Treasury Department and/or the Federal Reserve is expected to publish materials for any lending facility established.

On March 23, the Federal Reserve [announced](#) they expect to soon establish a Main Street Business Lending Program "to support lending to eligible small-and-medium sized businesses," intended to complement efforts of the Small Business Administration (SBA).

Two provisions within the CARES Act would encourage the Federal Reserve to stand up such a program. One provision instructs the Treasury Secretary, with the Federal Reserve, to create a facility where banks and other lenders would receive financing to lend to mid-sized businesses. The law defines eligible businesses as those having between 500 and 10,000 employees, and also includes nonprofit organizations. The suggested program would cap the annual interest rate on loans at two percent, and the Treasury Secretary could provide forbearance on loan payments for six months or longer.

To apply, businesses would have to make a good faith certification that it will meet ten conditions, including: the funds will be used to retain at least 90 percent of the recipient's workforce, at full compensation and benefits, until

September 30, 2020; the entity will not offshore jobs for the duration of the loan plus two years; the business will not pay out dividends or buyback shares for the duration of the loan; and the entity will not abrogate existing collective bargaining agreements for the duration of the loan plus two years. (See [here](#) for a full list.) The second provision clarifies that the Treasury Secretary may also support the Federal Reserve's Main Street Lending Program.

For more information from the Department of the Treasury, see their website for the CARES Act [here](#) or call their main line at (202) 622-2000. For more information from the Board of Governors of the Federal Reserve System, see their COVID-19 website [here](#), call their main line at 202-452-3000, or you can fill out the Fed's [feedback form](#) to send a question or comment about the Federal Reserve's actions in response to COVID-19.

Q. Will foreign businesses with minor U.S. operations have access to the \$500 billion Treasury and Federal Reserve emergency loan program under the CARES Act?

A. No. All businesses, organizations, and entities receiving assistance through any of the programs or facilities established under [Section 4003](#) of the CARES Act must be created or organized in the United States, with significant operations and a majority of employees based in the U.S.

Q. Can the Federal Reserve waive restrictions regarding emergency lending under Section 13(3) of the Federal Reserve Act?

A. No provision of the CARES Act amends or otherwise waives requirements the Federal Reserve must follow with respect to any emergency lending facility it stands up. In addition, since at least \$454 billion of the \$500 billion funds under [Section 4003](#) may only be utilized using the Federal Reserve's Section 13(3) powers, all lending must be approved by the Treasury Secretary and compliant with the credit risk and other criteria found in the Fed's rule [here](#).

Q. Will states, territories, and cities receive relief?

A. The CARES Act provides \$150 billion of funds for Treasury to distribute to States, territories, Tribal governments and units of local government based on a population proportion calculation. Furthermore, the CARES Act lists states and cities among the entities eligible for "emergency relief," but does not specify the terms or manner in which this relief will be extended. The Act instructs the Treasury Secretary to establish a facility that will support lending to states and cities, but no additional details are provided.

Defense Production Act

Q. What is the Defense Production Act?

A: The Defense Production Act (DPA) was first passed during the Korean War, building on wartime authorities passed during World War II. The Act authorizes the President to take certain extraordinary actions to ensure the availability of essential supplies needed to respond to emergencies, including those involved in homeland security. These actions include prioritizing contracts with the U.S. government before other contracts, allocating scarce resources where they are needed, and incentivizing the production of essential supplies by providing loans, grants, or outright purchases. The President has delegated the authority to prioritize contracts to both the Department of Health and Human Services (HHS) to purchase needed medical supplies and the Federal Emergency Management Agency (FEMA) to address emergency needs more generally.

Q. How can I find out whether I can get assistance to help my company to produce goods that are needed to combat COVID-19?

A. The Department of Defense is partnering with FEMA, HHS, and other agencies to help increase the supply of needed medical supplies, equipment, and other necessary items. The Department of Defense (DoD) has a program under the DPA to help build industrial capacity. DoD's Bureau of Industrial Policy has compiled a number of Department and U.S. Government responses to frequently asked questions, found [here](#). DoD and other agencies are looking to establish an additional portal to address a number of COVID-19 related issues for business, but that portal is still under construction. Until this portal is complete, companies should engage DoD through their email related to the defense industrial base, osd.pentagon.ousd-a-s.mbx.covid-19-industry@mail.mil. You can also email FEMA's Industry Liaison Program at this address DHSIndustryLiaison@hq.dhs.gov, or FEMA's National Business Emergency Operations Center (NBEOC) at nbeoc@max.gov.

Q: I already produce goods that are needed to combat COVID-19. How do I sell or donate my goods to the US Government so they can be distributed to places of greatest need?

A. In addition to the information about DoD's Bureau of Industrial Policy and FEMA's Industry Liaison Program and the NBEOC, FEMA has a website for companies that want to sell or donate items to address the COVID-19 emergency, available [here](#). This website provides information on outstanding requests for medical supplies administered by FEMA that companies can participate in. Information regarding HHS offices involved in grants and contracts can be found [here](#).

Community Financial Institutions

Q. I am a community financial institution and I want to help my community – what can I do to help my community?

A. Banks and other eligible financial institutions are encouraged to provide essential lending, servicing, and investment to low- and moderate-income (LMI) communities during this crisis, which may also allow your institution to receive credit under the Community Reinvestment Act (CRA). On March 19, 2020, the Federal Reserve, Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC), the three CRA regulators, issued a [joint statement](#) stating they will “favorably consider retail banking services and retail lending activities in a financial institution’s assessment areas that are responsive to the needs of low- and moderate-income individuals, small businesses, and small farms affected by COVID-19 and that are consistent with safe and sound banking practices.” Waiving fees, expanding short term credit products, increasing credit card limits, and allowing borrowers to defer payments were all given as examples of responsive activities that would help LMI communities and could be counted towards a CRA rating.

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