

## Financial Help for Those Impacted by COVID-19

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# Financial Help for Those Impacted by COVID-19

Banks, credit unions, online lenders and even credit card companies are still extending a hand to help the American economy survive the whack it took from COVID-19.

You just need to know where to look. Hint: The company website is a great place to start.

All the national brands, from Bank of America to Navy Federal Credit Union to SoFi to Citibank – and many, many more – are offering assistance with loan repayments, increased credit limits, waivers on service fees and even forbearance in the usually unforgiving world of student loans.

And, of course, there is the federal government, which tried to help everyone by dropping \$2 trillion into the economy with the CARES Act that was signed into law March 27.

The Feds had the most money and proved it, sending a \$1,200 stimulus check to workers making less than \$75,000; and hundreds of thousands of dollars (many times, millions) to small businesses as a “loan” that could be forgiven if employers used the money primarily for payroll purposes.

Some of the financial assistance programs passed include:

- [Stimulus Checks](#)
- [Expanded Unemployment Benefits](#)
- [401\(k\) Penalties Waived](#)
- [Small Business Relief](#)

The results of that largest aid program are still being calculated, but if you haven't regained your financial footing yet, there is help available. The Senate says it is working on another relief package (more on that later) and businesses are doing their best to keep workers and customers upright, but it's going to take a little work to find the help.

## Loans and Credit Card Relief for COVID-19

It's no surprise that banks and credit card companies are leading the way in trying to keep consumers stable financially. When the Federal Reserve lowered the interest rate to zero percent

in March, it meant any money-lending institution could make a profitable loan to just about any customer.

Bank of America details a full list of assistance programs on its website that include waiving non-sufficient fund and monthly maintenance waivers and refunds for overdraft fees as well as assistance on credit card and loan payments.

But you have to visit the company website and make your request for help online.

» **More about:** [COVID-19 Loans](#)

Credit card companies, who usually make millions every month off late payment and over-the-limit fees, backed off penalizing their customers. Instead, they waived those fees and some cards even invited customers to skip payments for a month, if they needed the income to handle other responsibilities. Visit your card company's website and see what types of assistance you can take advantage of.

» **More about:** [COVID-19 Credit Card Assistance](#)

## **Other COVID-19 Relief Offerings from Private Businesses**

The most often-repeated message from the big banks and credit card companies is for those negatively impacted by COVID-19 to stay home and use online or mobile app banking services to do their bill-paying and keep track of their accounts.

The second most-common message was: Call our customer service department for specific help with either personal or small business accounts. The sooner you contact a bank representative, the better.

Each company shared steps to improve the cleanliness in the working area within the banks, including daily cleaning with stronger disinfectant product on high-touch surfaces and offering hand sanitizer at every branch. The push for cleaner surfaces extends to ATMs and the keyboard at ATM locations.

With that in mind, here are some of the relief services you might take advantage of at specific banks and card companies.

## **The CARES Act: Stimulus Package for COVID-19 Relief**

The federal government giveaways have dominated the news throughout COVID-19 because it was basically free money for consumers and business begging for something to cheer about. The effectiveness of the effort is still being measured, but if nothing else, it gave people a reason to stay optimistic.

If you're not sure what COVID-19 related assistance programs you might be qualified for from the government, there is a [website to answer your questions](#). Just answer a few questions there and it will tell you what programs and assistance you can get assistance from.

Here is a rundown of the most impactful debt-relief options in the stimulus bill.

## **\$1,200 Coronavirus, COVID-19 Relief Checks**

The one part of the CARES Act that almost no one argued with was sending a \$1,200 [stimulus check](#) to consumers making less than \$75,000. That might be the most popular move the federal government has made in decades.

The IRS has sent out 159 million checks worth \$267 billion as of the first week in June, according to Treasury Secretary Steve Mnuchin. However the government estimates another 30 million checks are still due to someone. If you are that "someone" go to the IRS website and check out your [payment status](#) there.

Judging from the lines at the grocery store – and because most other businesses were closed – many people put the money to work feeding their families. There also was a Gallup Poll published that said 35% of consumers planned to use the money to pay off debts

## **Unemployment Benefits**

The \$600 "added benefits" check the federal government tagged on to regular state unemployment benefits will end the final week in July.

The average state payout for unemployment is \$300 a week and last 26 weeks. That timetable has been expanded to 39 weeks and freelancers and gig workers would qualify for the first time.

From a coronavirus standpoint, people unable to work because they are sick, quarantined or need to care for children because of COVID-19, were receiving an extra \$600 a week, but as mentioned, that benefit end in July.

## **401(k) Penalties Waived**

The federal government waived the 10% early-withdrawal penalty for taking money from your 401(k) retirement fund. Qualified individuals can withdraw as much as \$100,000 to help them get through this crisis.

## **Paycheck Protection Program for Small Businesses**

The [Paycheck Protection Program](#) was the second-most popular part of the CARES Act because it allowed thousands of businesses to stay afloat despite quarantine measures in every state that kept residents at home for at least two months.

The decision to quarantine most of the country was a shot-in-the-arm to delivery services, but shut down restaurants, shopping malls, theme parks and sporting events that count on live customer experiences to make their money.

The PPP stumbled out of the gate for several reasons, but seems to have found its purpose now that the rules governing loan forgiveness were changed to help employers reach the goals set for loan forgiveness.

## **Big Business Gets Some Breaks**

Companies with more than 500 employees and deemed “severely distressed” will receive large grants or loans.

The passenger airline industry, for example, will get \$25 billion in grants (money they won’t pay back) and another \$25 billion in loans they are expected to pay back.

There is \$17 billion in loans to companies considered critical to national security and \$425 billion for other businesses, states and cities.

## **Hospitals and Health Care Centers Get Help**

The stimulus bill set aside \$100 billion to help hospitals that were hit hardest by the pandemic. The money is intended to allow them to purchase protective gear for health-care workers, testing supplies and support emergency operation centers.

Community health centers and public health agencies like the Center for Disease Control and Prevention also will receive funding to help them get better prepared for the next crisis.

## **Other Beneficiaries**

Some of the agencies expected to play a big part in the recovery from coronavirus received much-needed help from the stimulus package.

The food stamp program, now called SNAP, will get \$25 billion to help the hungry; local schools and colleges will receive \$31 billion; the Federal Emergency Management Agency will get \$45 billion; and local transit systems will receive \$25 billion.

## **Help from Government Agencies**

Several agencies in the Trump Administration didn’t wait on Congress to pass a stimulus bill. They took action on their own. Here are some of moves you might find useful.

## **Paid Sick Leave**

Congress actually passed a bill called the Families First Coronavirus Response Act to help workers in smaller businesses deal with using sick leave to care for their families.

The target audience for the new law is companies with less than 500 employees. Those companies will receive a tax credit on next year's tax bill for offset the cost of providing it to their employees.

The intention of the new law is to give two weeks of paid sick leave at 100% of your normal salary – up to \$511 per day – for a total of \$5,110. That is just the first of many qualifiers for this program so check with your company's Human Resources Department before making plans.

#### **Benefits of Paid Sick Leave**

- You can get two weeks of paid family and medical leave at two-thirds your regular pay rate to care for an individual subject to quarantine.
- You could get an additional 10 weeks paid family and medical leave at two-thirds pay, up to \$200 a day (and \$10,000 aggregate), if you're a parent caring for children whose school has closed.
- Employees must have worked at least 30 days to be eligible.
- Businesses with less than 50 employees may be exempt from providing leave due to school closing or childcare unavailability if that jeopardizes the viability of the business.
- Businesses with more than 500 employees are exempt from the law.
- Nursing homes, hospitals and health care providers also are exempt.

#### **Tax Break ... Sort of**

The Treasury Department announced that if you still owe income taxes for 2019, you get an extra three months to file. The filing date was moved from April 15 to July 15, allowing people more time to focus on dealing with the financial fallout of COVID-19 rather than paying the government taxes.

If you expect a refund, you can file anytime.

#### **Student Loan Interest Suspended**

President Trump announced on March 21 that federal student loan borrowers would be given the option to suspend payments through September 30, 2020 without penalty.

This came a week after the Department of Education said borrowers would pay no interest on federal student loans through September 30, 2020.

To suspend payments, borrowers should contact their service providers and enroll in the forbearance program.

## **Federal Reserve Cuts Interest Rate to 0%**

The Federal Reserve did its part to slow the economic downturn by reducing interest rates to 0%, but the move hasn't helped its intended targets: a stable stock market and lower borrowing rates for consumers and small businesses.

The Dow Jones Industrial Average, which peaked at 29,568 on Feb. 12, 2020, went as low as 18,213 on March 23, a drop in value of 38%.

## **Small Business Administration Provides Access to Loans**

The coronavirus could be lethal for small businesses, considered the economic lifeline in most communities, but the Small Business Administration is trying to prevent that.

The SBA is offering low-interest working capital loans of up to \$2 million for small business and nonprofit agencies affected by COVID-19. Small businesses would pay 3.75% interest on the loans and nonprofits would pay 2.75% for terms of up to 30 years.

Many states and cities are offering low-interest loans for small businesses. More information is available on the [SBA website](#).

## **What's Next in COVID-19 Relief Options?**

The Democrats were so impressed with the public reception of the CARES Act – especially the \$1,200 stimulus check — that they rushed an even bigger package the House of Representatives that has no chance of staying intact when and if the Senate takes it up.

The [HEROES Act](#) was a \$3 trillion economic stimulator that included handouts for nearly every individual and business in America.

Of course, it revived the ever-popular \$1,200 stimulus check to anyone making under \$75,000 but threw in a bonus for families, saying that up to three children could join in the fun of having a sizeable amount of money land in your bank account with no restriction on how it could be spent.

The \$600 'bonus check' for unemployment was part of the bill, extending that barrel of cash six more months, through the end of January 2021.

And then there was a \$200 billion cutout for "[Hazard Pay](#)" to reward all the essential workers who put their lives in danger throughout the coronavirus pandemic. The list of eligible workers included first responders, grocery store workers, cleaning and maintenance, truck drivers and just about anybody else who reported to work during the crisis.

Senate Republicans has done nothing but denounce the HEROES Act as nothing more than a liberal wish-list and promised to come up with their own version sometime this summer. Like everything else related to COVID-19, no one is really sure if that's going happen.

## Scammers Alert

The Federal Trade Commission has posted a warning that scammers are looking at panic-stricken consumers as easy prey for opportunities to take money or steal personal information.

Scammers could be using fake social media posts, texts or email posts that sound like news on treatments or information on where to make donations for relief funds and it's all fake.

Here are the FTC's warnings about scammers:

- Don't click on links from sources you don't recognize
- Ignore emails claiming to come from the Center for Disease Control
- Avoid online offers for vaccinations or treatments
- If someone is asking for donations in cash, gift cards or wiring money, stay away!
- Beware of "investment opportunities" in any company claiming that says it can detect, prevent or cure coronavirus.



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