



# Illinois Department of Financial and Professional Regulation

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## Office of the Secretary

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For Immediate Release:  
March 30, 2020

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### **Illinois Department of Financial and Professional Regulation Announces Help for Consumers Struggling to Make Payments on their Debts Due to the COVID-19 Crisis and Guidance for its Regulated Financial Sectors**

**CHICAGO** – The Illinois Department of Financial and Professional Regulation today announced a series of actions to ensure the protection of Illinoisans in many areas of consumer borrowing, servicing, and collections. The Department also provided Guidance to its regulated entities, state banks, credit unions, installment lenders, payday lenders, title loan lenders, sales finance lenders including auto loans, currency exchanges, student loan servicers, mortgage servicers, and collection agencies concerning their lending, servicing, and collection during the COVID-19 pandemic.

#### **IDFPR guidance for state banks and credit unions and help for their consumers**

The Illinois Department of Financial and Professional Regulation (IDFPR), Division of Banking and Division of Financial Institutions strongly urges banks and credit unions to respond to borrowers affected by the current economic environment, such as small businesses, hourly workers, and independent contractors.

Although IDFPR is aware that many state banks and credit unions are already providing modifications, forbearances, and new loans to consumers and businesses, IDFPR is encouraging all banks and credit unions to consider taking the following actions:

- Offering payment accommodations (such as allowing borrowers to defer payments at no cost or extending the payment due dates)
- Providing new loans on favorable terms to businesses and consumers
- Waiving certain fees (such as those for ATM usage, overdrafting, and late payments on credits cards and other loans)
- Increasing ATM daily cash withdrawal limits
- Easing restrictions on cashing out-of-state and non-customer checks

- Increasing credit card limits for creditworthy borrowers
- Alerting customers to the heightened risk of scams and price gouging during the COVID-19 disruptions
- Reminding customers to contact their financial institutions before entering into unsolicited financial assistance programs
- Ensuring that consumers and small businesses don't experience a disruption of service if financial institutions close their offices

Additionally, banks and credit unions should contact customers via app announcements, text, email, or otherwise to explain the above-listed assistance being offered to customers. Guidance to Illinois-licensed depository institutions regarding support for borrowers impacted by COVID-19 may be viewed here <https://www.idfpr.com/COVID-19.asp>.

The Department supports banks and credit unions using their capital and liquidity buffers to lend and undertake other supportive actions in a safe and sound manner. For more information, institutions can refer to the Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus, FDIC Financial Institution Letter FIL-20-2020, and NCUA Letter to Credit Unions 20-CU-02 as applicable. There is also an FAQ for credit unions intended to consolidate answers to common questions DFI has received from credit unions during the COVID-19 pandemic.

The Department recognizes such efforts serve the long-term interest of Illinois communities and banks and credit unions when conducted with appropriate management oversight and that they are consistent with safe and sound practices and applicable laws, including consumer protection laws. Prudent efforts to help consumers and businesses will not be subject to examiner criticism.

**What consumers should know if they have outstanding loans or want to borrow from payday, installment, title, or sales finance lenders including auto loans and IDFPR guidance for the industry**

1. IDFPR encourages its lenders to work with borrowers during the COVID-19 pandemic to offer forbearance on payments without interest and late fees and refrain from negative credit reporting by using the specially-created disaster code.
2. If a lender closes its doors for health reasons, the lender will provide notice soon thereafter to IDFPR and provide reasonable ways to ensure borrowers can make payments to avoid delinquency.
3. Consumers who are experiencing financial difficulties during the COVID-19 pandemic and are seeking loan assistance should look for the most affordable loan options by considering the advertised APR and other loan costs.
4. For questions or complaints about licensed consumer lenders, go to <http://www.idfpr.com/DFI/DFIComplaintForm.asp>.

## Help for renters and homeowners struggling with payments during COVID-19 pandemic and IDFPR guidance for mortgage servicers

If you are struggling to make rent or mortgage payments, here is some important information you should know:

*Actions that have been taken:*

1. Governor Pritzker issued an Executive Order on March 20, 2020 pausing all evictions from homes and rental units.
2. IDFPR is urging all mortgage servicers to defer mortgage payments for 90 days for those who are suffering hardship as a result of the COVID-19 pandemic.
3. Actions have been taken with regard to certain mortgages:
  - **Single Family Home Loans Financed by Fannie Mae and Freddie Mac:** Foreclosure sales and evictions have been suspended for these loans. The following measures may be available:
    - Forbearance or reduction of mortgage payments for up to 12 months
    - Suspension of late charges and penalties
    - Suspension of reporting to credit bureaus of past due payments
  - **Multifamily Home Loans Financed by Fannie Mae and Freddie Mac:** Forbearance on multifamily home loans on the condition that borrowers suspend all evictions for renters struggling to pay rent due to the coronavirus crisis.
  - **FHA/HUD and Reverse Mortgages for Seniors:** Suspension of evictions and foreclosures for 60 days on FHA single family home loans and reverse mortgages for seniors. The suspension applies to new foreclosures and foreclosures currently in progress.
  - **VA loans:** Guidance from VA urges mortgage servicers to:
    - Ensure borrowers unable to make their payments are evaluated for VA Loss Mitigation options
    - Waive late fees of affected loans
    - Suspend credit reporting to avoid damaging credit records
  - **Other Mortgage Loans:** For a list of individual **bank** modification programs visit this link <https://www.aba.com/about-us/press-room/industry-response-coronavirus>. **Credit unions** are also offering modifications. Check with your credit union to see if they are participating or visit <https://www.icul.com/covid-19-best-practices-2/>.

*Here are specific actions you can take:*

1. Contact your landlord and mortgage servicer immediately
2. Contact your mortgage servicer or lender to learn about their most up-to-date mortgage relief programs

3. Contact the following for additional assistance:

- A HUD certified housing counselor (Go to [www.HUD.com](http://www.HUD.com) to find a counselor near you),
- A legal assistance agency for the rights of renters, or visit <https://www.carpls.org/client-services/>
- If you are a veteran that has questions about their mortgage options, please contact the St. Paul VA Regional Office at **1-877-827-3702**
- The Illinois Attorney General's Mortgage Helpline at **1-866-544-7151**
- IDFPFR at **1-888-473-4858**
- If you believe you are not being treated properly by your mortgage servicer, you may either [file a complaint with the Illinois Attorney General's office](#) or [with IDFPFR](#).

Guidance to Illinois-licensed mortgage servicers and exempt mortgage servicers regarding support for borrowers impacted by COVID-19 may be viewed here <https://www.idfpr.com/COVID-19.asp>.

### **Help for students struggling with payments during COVID-19 pandemic and IDFPFR guidance for student loan servicers**

If you are struggling to make your student loan payments, here is some important information you should know:

*Actions that have been taken by Congress for federal student loans held by the US Department of Education:*

1. Interest rates on federal student loans have been reduced to 0% until September 30, 2020.
2. Repayment on federal student loans are suspended until September 30, 2020.
3. Involuntary collection activity on federal student loans including wage garnishments and offsets will be suspended until September 30, 2020. Further, it will refund \$1.8 billion to 830,000 borrowers in money that has been previously subject to offset.
4. Credit reporting will take place as if the borrower were making timely payments.

*Here are specific actions you can take for both private and federal student loans:*

1. Contact your student loan servicer as quickly as possible if you are having trouble making your payments. Servicers can assist you to select the repayment option that best fits your financial circumstances, including income-based repayment options.
2. Borrowers experiencing trouble with their student loan servicers are encouraged to contact the following:
  - Contact the IDFPFR Division of Banking **217-785-2900** for information or to file a complaint with [IDFPFR](#).

- Contact the Attorney General’s Student Loan Helpline at **1-800-455-2456** or [file a complaint with the Office of the Illinois Attorney General](#).
- To find out if you have a federal student loan, visit the Department of Education’s National Student Loan Data System (NSLDS) at [nslds.ed.gov](http://nslds.ed.gov) or call the Department of Education’s Federal Student Aid Information Center at **1-800-433-3243** or **1-800-730-8913** (TDD).

Guidance to Illinois-licensed student loan servicers regarding support for borrowers impacted by COVID-19 may be viewed here <https://www.idfpr.com/COVID-19.asp>.

### **Guidance for debt collection agencies and information for consumers about debt collection during COVID-19 pandemic**

*Information you should know:*

1. Debt collection is not listed as essential businesses under Governor Pritzker’s Order of March 20, 2020. However, debt collectors may continue to operate remotely.
2. The Department is encouraging debt collectors and debt buyers to work with consumers to accommodate hardships due to the COVID-19 crisis, including to suspend collection activity for a period of at least 60 days.
3. Consumers should be aware of their rights, including:
  - Debt collectors cannot call you at places and times known to be inconvenient
  - Debt collectors must tell you the truth about the amount of your debt
  - Debt collectors cannot use deceptive methods to collect a debt from you

IDFPR will send regulatory guidance to these licensees that they must continue to follow consumer protection and debt collection laws and will be monitoring their compliance.

Anyone who is experiencing a problem with a collection agency or debt buyer can file a complaint with IDFPR or with the Illinois Attorney General’s Office.

### **Help to protect consumers’ credit history due to hardships caused by the COVID-19 pandemic**

*Information you should know:*

1. IDFPR issued guidance to its financial licensees about steps they can take to mitigate damage to borrowers’ credit during the COVID-19 crisis.
2. If creditors report consumers’ credit information, they should use the disaster code in conjunction with a deferment, which will have neutral impact on a borrower’s credit.
3. If consumers have trouble making their payments, they should contact their creditors to explore potential deferments or payment plans.

4. Consumers should regularly monitor their credit and contact their creditors and consumer reporting agencies if they find any errors.

*Steps you can take:*

1. Consumers should regularly check their credit and dispute any incorrect information the consumer reporting agencies.
2. Under federal law, everyone is entitled to one free credit report from each of the three agencies annually. You can request and review your free report through one of the following ways:
  - Online: Visit [AnnualCreditReport.com](https://www.annualcreditreport.com)
  - Phone: Call (877) 322-8228
3. For information about your rights visit:
  - The CFPB at <https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/>
  - The FTC at <https://www.consumer.ftc.gov/articles/0155-free-credit-reports>

### **Governor Pritzker Issues Executive Order 14 Addressing the Repossession of Vehicles**

The Executive Order states:

Section 1. Beginning March 27, 2020 and continuing for the duration of the Gubernatorial Disaster Proclamation, the provisions of the Uniform Commercial Code, 810 ILCS 5/9-609, regarding the possession or usability of a vehicle, and the provisions of the Illinois Vehicle Code, 625 ILCS 5/3-114, regarding the repossession of vehicles, are suspended. No provision contained in this Executive Order shall be construed as relieving any individual of the obligation to make payments or comply with any other obligation that an individual may have pursuant to a loan agreement or otherwise.