



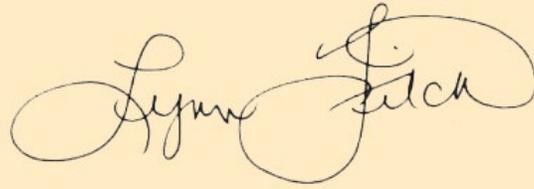
Message from the Attorney General



As rent and bills come due this week, many families are wondering how they will make ends meet. The health impact of the Coronavirus has been severe, but we are just beginning to see the level of damage to our family finances.

I want to thank the many businesses that have gone that extra mile to help their employees and their customers during this very difficult time, even as they suffer as well. It is heartwarming to hear about utilities suspending fees and landlords sitting down with their tenants to work out payment plans. We will get through this emergency and emerge stronger if we stand together.

I have gotten several questions about these personal financial matters and the help that may be available. I wanted to share some answers with all of you and I hope this guide is useful to you and your family as you try to navigate this crisis.



Rent and Mortgage Payments

The CARES Act, often called the Coronavirus stimulus package, included a temporary, nationwide eviction moratorium to renters whose landlords have a mortgage backed or owned by Fannie Mae, Freddie Mac, or other Federal entities. The moratorium is in place for 120 days from the date of passage, which was March 27. These landlords also can't charge any fees or penalties for rent non-payment.

To help landlords, the Federal Housing Finance Agency announced on March 23rd that, amongst other things, Fannie Mae and Freddie Mac will offer mortgage forbearance for multi-family property owners that suspend evictions for renters unable to pay rent as a result of this crisis.

The stimulus package also prohibits lenders from foreclosing on single-family mortgages that are backed by Freddie Mac or Fannie Mae for 60 days. Borrowers with federally backed mortgage loans can also request forbearance on their payments for up to 6 months for a single-family home or 90 days for multi-family property. They will be asked to demonstrate financial hardship directly or indirectly related to the Coronavirus. Interest may accrue, but there will be no additional fees, penalties, or extra interest.

Ginnie Mae, which guarantees mortgages for 12 million homeowners, is also helping mortgage companies with a Pass-Through Assistance Program (PTAP). The PTAP will help ensure up to \$100 billion in liquidity to make up shortfalls from missed mortgage payments.

I also want to thank the Mississippi Apartment Association and Mississippi Association of Affordable Housing Providers for their encouragement of apartment managers and landlords to work with renters who are unable to make their rent payments on time during this crisis. It is encouraging to see this kind of compassion and citizenship.

Stimulus Checks

The CARES Act included direct payments to citizens to help ease cash flow and financial problems caused by this crisis. The checks will be based on 2019 income taxes, or 2018 if you have not filed this year yet. Most adults will get \$1,200, or \$2,400 for a married couple. Those with adjusted gross income of \$75,000 (\$150,000 for married couples) or less will get the full amount. The amount gets phased out as incomes rise to \$99,000 for individuals or \$198,000 for couples. Taxpayers filing as heads of household will get the full payment if they earn \$112,500 or less.

An adult who is claimed as a dependent cannot get a payment of their own. For families with children, payments will include an additional \$500 for each qualifying child age 16 or younger.

To see what your adjusted gross income is, look at Line 8b on your 1040. You do not have to do anything to get this check, which is technically an advance on a tax credit to your 2020 federal taxes. If the IRS has your bank information for direct deposit, it will be deposited. Otherwise, it will be mailed based on the address from your filings.

It is important to note that the IRS will NOT contact you to ask for your Social Security Number, bank account, or other personal information. If you are contacted by someone who claims to be from the IRS and asks for this information as a condition of getting your check, you should not share it.

Unemployment Benefits

With stores and restaurants closing or reducing hours as a result of this pandemic, many hard-working Mississippians are suddenly out of work. To help, unemployment insurance benefits have been expanded to include the self-employed, independent contractors, part-time workers, and even those who are only partly unemployed as a result of the Coronavirus pandemic. Determinations of eligibility will be made on a case-by-case basis.

Mississippi benefits can typically be collected for up to 26 weeks. Under the CARES Act, benefits can be extended an additional 13 weeks. Governor Reeves waived certain regular program directives, including work search requirements and the 1-week waiting period. Claims are typically effective the Sunday of the week you file your initial claim.

The maximum Mississippi benefit is typically \$235 per week. But, eligible workers will get an extra \$600 per week on top of State benefits. This extra payment will last for up to four months, covering the weeks of unemployment ending with July 31, 2020. The extra \$600 counts as income when determining eligibility for some means-tested programs, but not for Medicaid and the State Children's Health Insurance Program.

The Mississippi Department of Employment Services (MDES) has set up a call center to help people apply at 1-888-844-3577 and it is available seven days a week. You can also apply online at www.mdes.ms.gov. MDES has also set up an email address to help answer questions: cv19@mdes.ms.gov.

Student Loans

Until September 30, 2020, there is an automatic payment suspension for any student loan held by the Federal government. Interest is frozen for that period as well. But, borrowers should check to make sure their servicers have reset their billing systems. An estimated 95% of borrowers have Federal loans.

The U.S. Department of Education will stop all requests to the U.S. Treasury to seize tax refunds, paychecks, or Social Security benefits on Federal student loans in default. It will not transfer any new accounts to its private debt collectors through September 30 as well. And, the Department of Education is returning \$1.8 billion to more than 830,000 defaulted borrowers whose money was withheld on or after March 13, the day President Trump declared a national emergency.

Several private lenders are also offering help. For example, Discover Financial is allowing some borrowers to extend their payments or postpone them without accruing interest for 2 months. Citizens Bank is waiving late fees and offering forbearance for 3 months. Sallie Mae is offering a 3-month suspension of payments. And, Wells Fargo is providing a 90-day payment deferral.

401(k) and Retirement Funds

For calendar year 2020, there are no required minimum distributions from IRAs or workplace retirement savings plans. You can also borrow twice the usual amount from your 401(k) or other workplace savings plan. So, for 180 days, you can take out a loan up to \$100,000, and the restriction against taking out more than half your balance is suspended. You can also withdraw up to \$100,000 this year without incurring the 10% penalty.

You will have to show that your hardship is related to the Coronavirus pandemic. You can qualify if you, your spouse, or a dependent tested positive or if you experienced a negative economic consequence stemming from this emergency.

Utilities Payments

The Mississippi Public Service Commission (PSC) has suspended utility disconnections for 60 days. The PSC did remind customers that they still have a responsibility to pay current and past due bills even during this period. Entergy Mississippi, Mississippi Power Company, Atmos Energy, CenterPoint Energy, and Spire Gas are also working with the PSC to suspend fees for online convenience payments. I applaud this demonstration of good corporate citizenship in this time when people need a little extra help.

The stimulus package also included an additional \$900 million for the Low Income Home Energy Assistance Program (LIHEAP).

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