



COVID-19 Financial Relief & Protections Extended

Our goal is to empower households through financial relief, link households to resources and provide HOPE.

Team members help households navigate their recovery from the pandemic by becoming their advocates, providing an education of processes, monetary relief, and/or referrals to partner agencies for specific needs and assistance.

The federal government is extending relief and protections for many student loan borrowers, renters, and homeowners who are having trouble making payments during the COVID-19 pandemic.

Payments suspended for federally owned student loans

Principal and interest payments on federally-held student loans are automatically suspended through September 30, 2021. If you have federally owned student loans, you do not need to contact your student loan servicer or take any action. However, make sure your servicer has your up-to-date contact information and continue to check your mail or email for updates or information about your loans.

Suspended payments through September 30, 2021, will count towards any student loan forgiveness programs, as long as all other requirements are met.

Protection from evictions for renters

The Centers for Disease Control and Prevention (CDC) has announced an extension to their current order that halts certain residential evictions. The extension stops evictions until at least March 31, 2021. If you already get rental help from HUD and your income has changed, ask for income recertification.

Mortgage relief protections and options

There are two primary federal protections: forbearance and a foreclosure moratorium.

Forbearance

If you have a mortgage-backed by V.A., USDA, FHA, Fannie Mae, or Freddie Mac, you have the right to request an initial forbearance of up to 180 days on your mortgage and a forbearance extension for up to 180 days if you have a COVID-related financial hardship.

- For mortgages backed by the FHA, USDA or, V.A., the deadline to request an initial forbearance is June 30, 2021.
- Mortgages backed by Fannie Mae and Freddie Mac do not currently have a deadline for requesting an initial forbearance.

If you are already in forbearance and need more time:

- If Fannie Mae or Freddie Mac backs your mortgage: You may request one additional three-month extension, up to a maximum of 15 months of total forbearance. **But to qualify, you must be in a COVID forbearance plan as of February 28, 2021, so don't delay contacting your servicer if you're having trouble paying your mortgage and are not in a forbearance plan.**
- If FHA, USDA, or V.A. back your mortgage, you may request two additional three-month extensions, up to a maximum of 18 months of total forbearance. But to qualify, you must have received your initial forbearance on or before June 30, 2020. Check with your servicer about the options available.

Foreclosure

- If Fannie Mae or Freddie Mac backs your mortgage, your lender or loan servicer cannot foreclose on your home until after March 31, 2021.
- If FHA, USDA, or V.A. back your mortgage, your lender or loan servicer cannot foreclose on your home until after June 30, 2021.

We are encouraging those we serve to file their taxes

Even if those you serve do not typically file taxes, encourage them to do so. Doing so this year may be the only way to get back any money that was withheld from their wages (a refund), plus cash in on key benefits and stimulus payments (also known as Economic Impact Payments) not claimed in 2020. And this year, if you qualify for the Earned Income Tax Credit (EITC) or the Child Tax Credit (CTC), the Internal Revenue Service (IRS) is allowing you to choose whether to use your 2019 or 2020 income to receive the most credits for which you are eligible.

Benefit 1: Income Tax Refund

If you worked at any time during 2020 or received unemployment, you may have had income taxes taken out of your paycheck, and you might be able to get a tax refund.

Benefit 2: Tax Credits

You may be able to claim the Earned Income Tax Credit or Child Tax Credit when you file your taxes this year. If you are eligible for one of these tax credits, it could reduce the amount of tax you owe and may even earn you a refund.

Because the coronavirus impacted many people's incomes in 2020, the IRS's "lookback rule" allows you to choose between your 2019 or 2020 income to determine which will get you the most money back on your EITC or CTC.

Make sure to have your 2019 tax return on hand when you file this year's taxes so that you have all the information you need.

Earned Income Tax Credit

The EITC or EIC is a benefit for working people with low-to-moderate income. Claiming the credit can reduce the tax you owe and may also give you a larger refund. Use the IRS's Earned Income Tax Credit Assistant to help you figure out how much you qualify for this year, or ask your tax preparer if you are eligible.

Child Tax Credit

The CTC is available if you claim any children younger than 17 (at the end of 2020) as dependents on your taxes. The CTC is worth a maximum of \$2,000 per qualifying child. Up to \$1,400 is refundable. To get a CTC refund, you must earn more than \$2,500.

Benefit 3: Economic Impact Payments

In 2020, the federal government authorized direct payments to Americans called Economic Impact Payment to help them weather the coronavirus pandemic's financial strain. Most people who qualified already received these payments.

However, if you don't usually file taxes and you didn't receive one or both of the EIPs to help with coronavirus relief in 2020, you may still be eligible.

If you did receive an EIP but did not get the right amount, you can also claim the difference when you file. On your 2020 tax return, the EIP is called the Recovery Rebate Credit (RRC). When you do your taxes and fill out a 1040 or a 1040SR form, there will be a place to fill in how much RRC you already received, and then you can calculate whether more money is owed to you.

Need help filing your taxes this year?

Please reach out to Loretta at VITA@keysunitedway.org or at 305-563-1470.

