

March 30, 2020

Office of the Governor
James R Thompson Center
100 W. Randolph, 16-100
Chicago, IL 60601

Governor Pritzker:

Thank you for your steady leadership during the COVID-19 crisis. We deeply appreciate the tireless work that your Office has been doing to protect the health and safety of Illinoisans in this difficult time.

While the state mobilizes to protect public health, workers and families are now facing enormous and urgent financial challenges as a result of the sudden economic downturn, as reflected in the massive spike in unemployment claims. Today – the end of the month -- families are struggling to pay their April rent or mortgage, utilities and car payments, and put food on the table. While you continue to address the public health needs of our state, we urge you to also take emergency action to stabilize families' finances. With the passage of the federal stimulus package on Friday, the state should fill in gaps and provide additional support for Illinois families.

The following are actions we urge your Office to take immediately to support Illinoisans. Other states are already taking some of these steps.

Protect Homeowners by Providing Mortgage Relief:

As we saw in the Great Recession, homes are a critical family asset. We urge you to protect Illinois homeowners during this crisis by taking the following steps, many of which have been taken [by California](#).¹ As in California, these steps can be accomplished through a combination of voluntary commitments by, for example, national banks and through [executive order](#).²

- Automatic 30-day payment deferment for everyone with no interest accrual
- 90-day (total) payment deferment for homeowners who request it (oral or written)
- No negative reporting to credit bureaus during the emergency (or after the emergency for payments missed during the emergency)²
- Suspend foreclosures during the emergency

¹ Nathan Rott, National Public Radio, *Banks Agree With California To Stop Foreclosures For 90 Days In Coronavirus*, March 25, 2020.

² State of California, Executive Order N-28-20

<https://www.gov.ca.gov/wp-content/uploads/2020/03/3.16.20-Executive-Order.pdf>

- Creditors should be provided with a source of liquidity, if necessary, to cover the cost of these measures

Expand Access to Safe, Affordable Credit:

- Ensure that any loans made during the emergency are affordable by instituting the following emergency regulations:
 - o 36% APR cap for all loans (“military APR”)
 - o No payments within 30 days of date loan is made
 - o No balloon payment loans
- [Like Wisconsin](#),³ the Department of Financial and Professional Regulation should adopt emergency regulations providing: no payday, installment, or title lender shall increase their cost of borrowing during this emergency, and the Secretary may revoke or suspend the license of any lender found in violation of this regulation.
- Call on nationally chartered banks to practice affordable lending as described above, and publicly recognize those banks that have made a commitment to affordable lending during the emergency.
- Expand Economic Assistance resources available on the state’s coronavirus website
 - o In addition to small business loans, promote access to safe, affordable small personal loans and banking products, like accounts that meet Bank On standards.
 - o Urge anyone whose utilities are shutoff, or anyone who has a complaint with a financial company, to contact the Office of the Attorney General.

Help Families Make Ends Meet by Suspending Debt Collection and Banking Fees:

- Suspend all debt collection activity (including all court-related activity -- anything from filing of complaint onwards). [New York has suspended case filing for any non-essential matters](#),⁴ including debt collection.
- Suspend wage garnishments, wage assignments, and bank freezes. [Massachusetts](#)⁵ has deemed debt collection activities during the emergency to be unfair and deceptive.⁶
- [Like New York](#),⁷ order all regulated financial institutions to waive overdraft fees, late fees, offer extension or deferral of loan payments, altering terms of loans to avoid delinquencies, and

³ State Of Wisconsin, Department of Financial Institutions press release:

http://www.wdfr.org/newsroom/press/2020/20200318_NewsRelease_COVID-19EmergencyGuidancePayday-LicensedLenders.pdf

⁴ State of New York, Administrative Order of the Chief Administrative Judge of the Courts:

<https://www.nycourts.gov/whatsnew/pdf/AO-78-2020.pdf>

⁵ State of Massachusetts, Addendum to Massachusetts Secretary of State Regulation Filing Form 940 CMR 35:00, Unfair and Deceptive Debt Collection Practices During the State of Emergency Caused by COVID-19:

<https://www.accountsrecovery.net/wp-content/uploads/2020/03/Emergency-Regulation-940-CMR-35.00.pdf>

⁶ See this fact sheet for more information on the steps states can take to limit debt collection activity:

https://www.nclc.org/images/pdf/special_projects/covid-19/IB_Collection_Lawsuits_032020.pdf

⁷ State of New York, Guidance to New York State Regulated Financial Institutions Regarding Support for Consumers and Businesses Impacted by the Novel Coronavirus (COVID-19),

https://www.dfs.ny.gov/industry_guidance/industry_letters/il20200319_consumer_support_coronavirus

otherwise refrain from exercising rights and remedies against defaults and other responses.
[California has taken similar action.](#)⁸

- Prohibit negative credit reporting during and after the emergency for non-payment during the emergency.⁹

Finally, we want to take this opportunity to thank you for your recent Executive Order 2020-16 suspending car repossessions and remote disabling/car starter interrupt technology. These actions will protect a critical financial and transportation asset for Illinoisans.

For each of these recommendations, your Administration should issue an order if and when it is within the scope of emergency or regulatory powers, or otherwise we urge you to negotiate with financial institutions to secure voluntary agreements.

While we appreciate the critical importance and urgency of public health priorities, there is now also an economic crisis impacting millions across the state. These actions would not only help low- and middle-income families weather this crisis, it will also keep money flowing through our local economies for food and other necessities.

If you have questions or need assistance with any of these recommendations, feel free to reach out to any of us.

Thank you and be well,

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⁸ State of California, Business, Consumer Services and Housing Agency, Guidance to Financial Institutions During the COVID-19 Pandemic, https://www.bcsb.ca.gov/coronavirus19/dbo_banks.pdf

⁹ See this fact sheet for more information on the steps states can take to protect Illinoisans' credit: https://www.nclc.org/images/pdf/special_projects/covid-19/IB_Credit_Reporting_What_States_Should_Do.pdf

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