

Debt Collection Protections During the COVID-19 Emergency (Updated January 12, 2021)

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I was sued by a debt collector and have a court hearing coming up. What should I do?

Due to the public health emergency, D.C. Superior Court is rescheduling all non-emergency hearings and setting new dates for hearings that will be conducted by telephone. You will be contacted by the Court with more information. You can also check on the status of your case by using the search feature on the Court's [website](#). You can also reach out for legal help before your court date. A legal services attorney may be able to assist you at no cost to you. See below for details.

I fell behind on my credit card payments and other bills. Can I be sued?

- Because of an [emergency law prohibiting certain debt collection activity](#), creditors and debt collectors cannot file new debt collection lawsuits during the District's public health emergency and for a limited time thereafter. Unless the law or emergency period is changed, the prohibition on new lawsuits will end on **May 21, 2021**.
- There are limitations on how and when debt collectors can contact you, but you are allowed to contact your creditors. For example, if you wish, you can call to try to work out new payment arrangements. Many creditors have announced new policies for working with consumers who are experiencing financial hardships as a result of the COVID-19 crisis.

I had to stop making car payments. Can my car be repossessed?

- Under the current emergency law, your lender cannot repossess or threaten to repossess your vehicle through May 21, 2021.
- After this period expires, your car could be repossessed, and you could be responsible for any deficiency (the difference between the amount you owed and the amount the car was resold for).

- Many lenders are offering some form of relief to persons suffering financial hardship as a result of COVID-19. You should reach out to your lender to try to work out new payment arrangements.

There is already a judgment against me in a debt collection case. Can they take my wages or the money in my bank account?

Under the current emergency law, which will expire on May 21, 2021, creditors and debt collectors cannot start new wage garnishments or take money from your bank account. However, garnishment orders that were already in effect may remain in place. If you are having problems with garnishment of your wages or bank account funds, seek help from a lawyer.

Can debt collectors or the government take my COVID-19 stimulus payment?

In general, no. The newest round of stimulus payments are legally protected against seizure by debt collectors or creditors, though the protection is not always automatic. These stimulus payments also cannot be intercepted for tax debt, student loan debt, or child support arrears. For more information, see the [Stimulus Payment Frequently Asked Questions](#).

I'm behind on my utility bills. Are utility companies doing anything to help people impacted by COVID-19?

During the public health emergency and for 15 days after the emergency ends (that is, through April 15, 2021), utility companies may not disconnect your electricity, gas, water, cable or phone for non-payment. In addition:

- [Washington Gas](#) is waiving new late fees, suspending disconnections, and offering payment plans
- [Pepco](#) is working with customers on a case-by-case basis to establish payment arrangements and identify energy assistance options
- [DC Water](#) is restoring water service for disconnected residents

Contact your utility company for more information.

If you are struggling to pay your bills, you may be eligible for the Low Income Energy Assistance Program (LIHEAP) or the Utility Discount Program. More information can be found on the Department of Energy & Environment's website at <https://doee.dc.gov/liheap>.

Note on utility scams: If you receive a call from someone claiming to be from Pepco or a utility company offering services for a reduced fee, this may be a scam. If you believe you have been scammed, contact the Metropolitan Police Department's Financial and Cyber Crimes Unit at 202-727-4159 or mpd.fraud-unit@dc.gov, and file a complaint with OAG's Office of Consumer Protection by calling (202) 442-9828, emailing consumer.protection@dc.gov, or filling out an [online consumer complaint form](#). For more information about these types of scams, visit <https://oag.dc.gov/blog/consumer-alert-covid-19-pepco-scam>.

Is there help for people who can't pay their student loans?

Under the federal CARES Act, payments under federal (Department of Education) student loans are suspended and the interest rate is 0% from March 13, 2020, through December 31, 2020. If you're unsure if your loan qualifies, contact your loan servicer directly to double check. If you don't remember who your servicer is, log onto [the Federal Student Aid site](#) or call 1-800-4-FED-AID. Also be sure to check the [Federal Student Aid's official coronavirus page](#) for updates.

If you have a qualifying federal student loan:

- You don't need to do anything because your payments are automatically suspended.
- If you made a payment after **March 13, 2020**, you can contact your servicer to have the payment refunded.
- Loans will not accrue interest during the protected period. You have the option to make principal-only payments if you want to.
- No wage garnishments, tax intercepts, offset of federal benefits, or other collection activity are allowed during the protected period. There

have been reports of wage garnishments by the Department of Education during the prohibited period happening, however, to thousands of Americans. If this has happened to you, seek legal help.

This relief does not apply to Perkins Loans and Federal Family Education Loans loans still held by banks or guaranty agencies.

What are some resources for dealing with my financial hardship?

- The Financial Stability Network sponsored by Catholic Charities provides free financial coaching and tax assistance to low to moderate income families and individuals. You can find out more information on their [website](#) or by calling (202) 772-4300 ext. 153.
- The National Consumer Law Center has a publication for consumers called [Surviving Debt](#) (available for free during the coronavirus emergency).

After the public health emergency ends, there are resources for persons considering filing for bankruptcy:

- [Bankruptcy Assistance Center](#) (sponsored by the federal bankruptcy court)
- [D.C. Bar Advice and Referral Clinic](#)

Will I go to jail if I do not pay my debts?

No. You cannot go to jail just for not paying a consumer debt.

How do I protect my wages from garnishment after the public health emergency ends?

Under current emergency law effective through May 21, 2021, a creditor cannot ask the court for an order to garnish your wages. It can do so after the protected time period if it has a judgment against you. But under D.C. law, your take-home pay up to \$600 a week is generally protected from wage garnishment. Even if you make more than that, you have the right to request that the court adjust the amount garnished based on financial

hardship. You would need to file a Motion to Exempt Wages from Garnishment and Request Hearing. The form can be found in the Clerk's Office or on the court's website at <https://www.dccourts.gov/services/forms> under "Motion to Exempt Wages."

How do I protect the money in my bank account after the public health emergency ends?

Under current emergency law effective through May 21, 2021, a creditor cannot ask the court for an order to seize or attach your bank account. After that period, if a creditor has a judgment against you, it can ask the court to issue an order that would freeze and eventually take the money in your bank account. The creditor is required to mail to you a copy of the order (usually called a "writ"), and also a notice, within three days of serving the bank. Some money in bank accounts, like Social Security or SSI payments, is protected from these attachments, and there are other ways to claim exemptions. You can file a [Motion for Claim of Exemption](#), asking the court to exempt the money in your bank account.

If you would like legal advice about your situation, you can contact Legal Aid. Our Northwest and Southeast offices are closed to the public, but we are open for telephone and online intake. You can apply for our services by phone at (202) 628-1161 or [online](#).