



Managing Money & Overcoming Financial Challenges – Coronavirus

If your household income has been interrupted or reduced ...

- Immediately prioritize expenses, making sure that *Needs* (Housing, Food, Utilities, Transportation, Health Care) come first
- Non-essential expenses should be paused or discontinued
- Consider utilizing liquid assets such as an emergency savings account to cover essential living expenses
- Contact your creditors proactively to explore options such as loan deferments, reduced interest rates, skip-a-pays, and balance transfers
- Explore other employment opportunities in your area

Filing for Unemployment Benefits (State of Michigan)

- Use www.michigan.gov.uia
- The federal CARES Act adds to existing state unemployment benefits with an extra \$600 a week through July 31, 2020.
- The new law also expands the list of workers eligible to receive benefits to include Americans who usually don't qualify - such as freelancers, part-timers, gig workers and caregivers - if their employment was affected by the coronavirus.

Stimulus Payments beginning April 2020

- The CARES Act provides for a **\$1,200** check per eligible adult based on an AGI of \$75,000 or less (\$150,000 for couples). Eligibility is based on the 2019 tax returns (or 2018 AGI if you haven't yet filed your 2019 tax return). Eligible families will receive an additional \$500 for each child under the age of 17.
- Individuals with direct deposit information already set up with the IRS will receive their payment quicker
- Questions? www.irs.gov/coronavirus

Student Loans

- The repayment of Federally-backed loans are *automatically* suspended through September 30, 2020. No action is needed if you opt to temporarily stop making payments. No fees or interest will accumulate.

- Private student loans are not included in this suspension. If you have private student loans and are experiencing a hardship, contact your loan servicer immediately.
- Interest rates on all federal student loans have been set to 0% through September.

Mortgage Relief

- Servicers of federally-backed mortgages will postpone payments at the request of the borrower, provided the borrower affirms financial hardship due to COVID-19. Postponements can be granted for up to 180 days.
- Servicers of a federally backed mortgage loan are prevented from initiating any foreclosure process for at least 60 days beginning on March 18, 2020.
- Renters: Landlords with mortgages backed by HUD, Fannie Mae, Freddie Mac, and other federal entities cannot pursue eviction for their tenants. Landlords also can't charge any fees or penalties related to non-payment of rent.

Retirement Accounts

- Elimination of Early Withdrawal Penalty: The CARES act waives the 10% early withdrawal penalty for withdrawals up to \$100,000 from qualified retirement accounts, including IRAs and 401(k) plans, for retirement plan participants who qualify for COVID-19 relief. Income tax on the distribution would still be owed but could be paid over a three-year period.
- Questions? Contact your account plan administrator.
- Increase in the Retirement Plan Loan Amount: Increases the amount that can be taken as a loan from a qualified retirement plan from \$50,000 to \$100,000 for 2020.
- Required Minimum Distributions (RMDs) from plans are waived for 2020.

Social Service Resources

- Contact your local community's United Way office, or call 211.

Other questions or need assistance

- Please send an email to:
 - **Mark Munzenberger, University of Michigan Credit Union**
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