



INFORMATION ABOUT THE FEDERAL CORONAVIRUS RELIEF PACKAGE

SUMMARY

- What is it?
 - [The Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) is a \$2 trillion coronavirus relief bill signed into law on March 27, 2020 in an effort to address some of the worst effects of the economic downturn resulting from the coronavirus pandemic.
 - Relief includes direct aid to taxpayers, businesses, non-profit organizations
 - The Act relaxes certain federal rules and regulations, suspends certain loan repayments and provides for other resources throughout the economy
Examples:
 - The bill includes short moratoriums on evictions for federally-subsidized homes and foreclosures for federally-backed mortgages and provides mortgage forbearance for homeowners and protections for renters.
 - The stimulus law prohibits the U.S. Department of Education from garnishing the wages, Social Security benefits or tax refunds of borrowers with federally-held student loans that are in default—a protection that does not apply to other types of federal loans.
 - Congress continues to work on legislation to provide further relief to society.
- Overview of Key benefits of the CARES ACT:
 - [Direct Cash Payment](#)/Eligibility for Economic Impact Payment
 - The federal CARES Act authorizes recovery checks for U.S. taxpayers in response to the 2019 novel coronavirus. These

payments will be automatic and are based on 2019 or 2018 tax returns.

- Every individual or family member must have a valid Social Security number in order to be eligible.
- Provides a one-time \$1,200 check to most non-dependents making up to \$75,000 and \$2,400 to most people who file taxes jointly up to \$150,000.
 - For every \$100 a taxpayer earns over the income threshold, the payment will be reduced by \$5 up to \$99,000 for single filers and \$198,000 for joint filers.
- Qualifying parents with children under 17 will receive up to \$500 per dependent.
- You may not receive a payment if someone claims you as a dependent, even if you're an adult.
 - [U.S. News World Report](#) (April 11) reports that adults who have been claimed by their parents as dependents on their 2018 or 2019 tax filings cannot at this time receive either the \$1200 or \$500 in relief.
- SSI recipients or those who receive Social Security retirement, survivors, or disability insurance benefits and who did not file a tax return for 2018 or 2019 and who have qualifying children under age 17 should go to the IRS's webpage at irs.gov/coronavirus/economic-impact-payments to enter their information instead of waiting for their automatic \$1,200 Economic Impact Payment.
 - Economic Impact Payments are not considered income for SSI recipients, and the payments are excluded from resources for 12 months.
- The eligibility requirements and other information about the Economic Impact Payments can be found here: irs.gov/coronavirus/economic-impact-payment-information-center

- Process (Checks/Deposits)
 - The IRS is using banking information from taxpayers 2018 or 2019 tax returns to directly deposit the payment.
 - The IRS has [a new, online portal for economic impact payments](#). This portal will allow taxpayers to find out the status of their payment. If a payment hasn't yet been issued, recipients can provide their banking information for direct deposit to avoid receiving the check in the mail.
 - Certain groups that don't usually file tax returns, such as low-income individuals, students, retirees, veterans, those who are unemployed and people with disabilities, will need to file a 2019 simple tax form to receive the payment. The payments will be available through the end of 2020.
 - For more information, including on how to file simple tax returns, visit irs.gov/coronavirus
 - [When will you get your federal stimulus check?](#) Click here for details.
- [Expands and Increases to Unemployment Insurance \(UI\) Benefits](#)
 - The CARES Act increases unemployment compensation or UI Benefits by \$600 on top of whatever sum unemployed workers receive from their state department of labor for up to four months.
 - New York pays a maximum of \$600 a week, and its payment program runs for 26 weeks, which has been extended.
 - The law expands eligibility for unemployment insurance including those who are freelancers, gig economy workers, self-employed, or furloughed.
 - For more information on UI benefits for New Yorkers, please visit <https://www.labor.ny.gov/ui/cares-act.shtm>

- Student Loan Relief
 - Under the CARES Act, payments by borrowers on most federal student loans owned by the U.S. Department of Education are suspended through Sept. 30, 2020 including:
 - Direct Unsubsidized Loans
 - Direct Subsidized Loans
 - Direct PLUS Loans
 - Direct Consolidation Loans
 - Family Education Loans (FFEL)
 - Federal Perkins Loans
 - No interest will be assessed on federal student loan payments through September 30, 2020
 - The law also stops garnishment of wages, Social Security and tax refunds for federal student loan debt collection
 - Autopay is canceled during the March 13-September 30 period
 - If your benefits were offset or wages garnished after March 13, 2020, you will receive a refund.
 - Suspended student loan payments count toward forgiveness or loan rehabilitation
 - You may opt to keep making payments on federal student loans.
 - If you choose to stop making loan payments, your credit will not be affected negatively.
 - While the CARES Act temporarily suspended interest and monthly payments on all federal student loans held directly by the government, it excluded borrowers who have federally-backed loans that are owned by private lenders or colleges. Further, private loans are not covered.
 - A coalition of stakeholders is asking congress for a fix in the next stimulus bill to cover other student borrowers, including those with Federal Family Education Loans (FFELP) and Perkins loans.

- The U.S. Department of Education guidance on the temporary suspension said that private lenders or colleges that hold federal student loans or direct loans are permitted to provide benefits to borrowers, but they are not required to do so, per the legislative text.
- Under the CARES Act, the U.S. Department of Education is required to cancel the portion of a student's loan obligation, for the relevant payment period, when that student withdraws from classes due to the Coronavirus.
 - Certain loans, including privately owned student debt, are not included, however, as many as 300,000 New Yorkers may get help with loans under an agreement the state reached with Navient, Nelnet and other lenders that comprise 90 percent of private student loan lenders. Visit the New York State Department of Financial Services at: <https://dfs.ny.gov/consumers>
 - Borrowers who face financial hardship due to the pandemic may contact their student loan servicer to defer payments for 90 days and receive other relief, including no late payment fees and no negative data reported to credit bureau agencies.
- Other relevant resources:
 - [New York State has suspended medical and student loan debt collection for at least 30 days](#) officials announced April 7, 2020.
 - [COVID-19 \(Coronavirus\) and the GI Bill](#) (updated April 8)
 - [NYT: F.A.Q. on Stimulus Checks, Unemployment and the Coronavirus Plan](#)
 - [The Guardian: "US coronavirus stimulus checks: are you eligible and how much will you get?"](#)
 - [ACEnet.edu: Coronavirus Stimulus Bill Allocates \\$14 Billion to Higher Education; Higher Education Community Says More Is Needed](#)
 - [New York State will offer relief to borrowers of 90 percent of private student loan lenders who took out private student loans.](#)