

# COVID-19 Consumer Resources

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State regulators are warning consumers about the potential for a major uptick in frauds and scams preying on consumer fears and the economic fallout from the coronavirus.

If you believe you have been the victim of a financial services scam, please click [here](#) to find your state regulator and file a complaint.

Regulators are working to ensure the continued safety and soundness of the financial system. [FDIC-insured?accounts](#) remain safe and protected, and banks remain?the safest place for consumers to keep their?money.

While some financial service providers may have adjusted hours or services in accordance with Centers for Disease Control guidance, customers can still access their funds through ATM, mobile, online banking services and drive-through windows.

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## Ways to protect yourself

- **NMLS Consumer Access** – Thinking of using a mortgage lender or money service provider? Use [NMLS Consumer Access](#) to verify mortgage professionals and nonbank money services like money transmission. This public website allows consumers to confirm whether a financial service provider is actively licensed in any given state.

- **HUD-approved housing counselor** – Do you need advice on your current housing situation? Housing counselors across the country can answer your questions related to renting, default, foreclosure avoidance, credit issues and reverse mortgages. Find a HUD-approved housing

counselor in your state [here](#).

■ **Steps to take if you lose income or have trouble meeting financial obligations** – Concerned about your financial health? The Consumer Financial Protection Bureau (CFPB) released a [blog](#) (also available in Spanish [here](#)) to help consumers navigate personal financial impacts of the coronavirus. The blog provides important resources that include steps to take if you lose income or have trouble paying bills or meeting other financial obligations:

- Contacting lenders, servicers and debt collectors.
  - Working with housing and credit counselors to understand your options.
  - Protecting yourself and being aware of potential scams.
- The Federal Trade Commission (FTC) has [tips to protect yourself](#) from possible coronavirus-related scams.
- For other coronavirus related scams, such as price gouging, consider reaching out to your state's attorney general. Find contact information for your AG's office at the National Association of Attorneys General [website](#).

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## Types of scams and warning signs

Scammers use peoples' fears and vulnerabilities to trick them into buying fake advice or products. These are some common warning signs of a potential scam:

**1. Advance Fee Loan Scam** – In times of need, consumers may shop for various loans to extend their financial flexibility. Scammers may ask consumers to pay fees upfront for nonexistent loans, and once the consumer provides the payment, they never hear from the scammer again. These

perpetrators may offer loans over the phone and ask for fees to be wired directly to an individual. The FTC offers additional guidance on this scam [here](#).

**2. Foreclosure bailout scammers** – Some homeowners may be contacted by unscrupulous scammers who claim to be able to reduce monthly mortgage payments or take other measures to prevent foreclosure. Many of these scammers claim to be credit counselors or attorneys who have special relationships with banks and will negotiate deals with creditors to reduce or forgive payments in exchange for an upfront fee. Consumers should research the companies and individuals they are working with prior to paying any fees.

**3. Rent-to-Buy Scheme** – The scammer will claim that if the consumer surrenders the title to their property, they will be able to remain in the property as a renter and repurchase it at a later date. The scammer will then offer terms with exorbitantly steep payments, and consumers end up owing more on the mortgage than the rent-to-buy home is worth. The perpetrator then keeps the home and all of the equity the owner has put into it.

**4. Equity Skimming Schemes** – Consumers should be suspicious of any service asking for upfront payment. Lawyers are exempted from this rule on upfront payment, so consumers should verify that they are dealing with a lawyer licensed to practice law in their state where they live on their state bar association's website. Links to all state bar websites are available [here](#).

**5. Advance Fees for Debt Counseling and Debt Adjustment Services** – Be aware of debt counseling and debt adjustment schemes that require upfront fees before services are performed. Check with your state regulator to verify a license (if required) and learn what, if any, upfront fees can be charged before services are provided. Debt adjustment/settlement services typically include an agreement with the consumer to distribute, supervise, coordinate, negotiate, or control the distribution of money or evidences thereof among one or more of the consumer's creditors. When using these services consumers may relinquish a great deal of control over their finances; it is important to know who you are working with when entering into an agreement.

**6. Imposter scams** – Be aware of imposter scams, especially during times of crisis. These scams come in many varieties but ultimately the scammer impersonates someone you trust in order to convince you to send them money. Relevant examples include family emergency scams and government imposter scams. More information can be found on the Federal Trade Commission's website [here](#).

**7. Fraudulent health claims/sales** – Consumers should be highly suspicious of any prevention, treatment or cure of the coronavirus from untrustworthy sources. Consumers should verify all claims of these products with the Centers for Disease Control and Prevention (CDC) and the World Health Organization (WHO).

**8. Charitable donation scams** – To avoid becoming the victim of a charity scam, verify that the charity is registered with your secretary of state. To find your secretary of state, visit the National Association of Secretaries of State [website](#), and use the 'Find Your Secretary of State' feature. You may also benefit from checking the charity's Charity Navigator rating at [www.charitynavigator.org](http://www.charitynavigator.org) or Better Business Bureau rating at [www.give.org](http://www.give.org).

**9. App scams** – Scammers are also creating and manipulating mobile apps designed to track the spread of COVID-19 to insert malware that will compromise users' devices and personal information.

**10. Supply scams** – Scammers are creating fake shops, websites, social media accounts, and email addresses claiming to sell medical supplies currently in high demand, such as surgical masks. When consumers attempt to purchase supplies through these channels, fraudsters pocket the money and never provide the promised supplies.

**11. Bailout Anticipation Loans** – Congress is working to provide financial relief for those in need. Relief may come in many forms, such as government checks to consumers and unemployment assistance. It will take time for the government to process the relief coming from these programs. Scammers may prey on those who need immediate assistance by offering short-term loans. Check

with your state financial regulator to learn whether this activity is permissible in your state.

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## Government assistance for consumers

■ **A Temporary Halt on Foreclosures** – On March 18, 2020, the Trump administration [directed](#) U.S. Department of Housing and Urban Development (HUD) to suspend all evictions and foreclosures on HUD-backed properties until the end of April. The Federal Housing Finance Agency (FHFA) directed Fannie Mae and Freddie Mac to suspend all foreclosures and evictions for at least 60 days for homeowners with mortgages backed by the government-sponsored enterprises. Assistance programs can differ by loan type. For more information on consumer assistance programs, visit the following websites:

- [HUD](#) for Federal Housing Administration (FHA) loans and Home Equity Conversion Mortgage (HECM) loans for seniors
- [FHFA](#) for Fannie Mae and Freddie Mac backed loans
- [U.S. Dept. of Veterans Affairs \(VA\)](#) for VA loans
- [U.S. Dept. of Agriculture \(USDA\)](#) for USDA loans

Individual states may also be instituting holds on foreclosure and/or evictions. [Click here](#) to find your state regulator.

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## Additional resources

- **National Consumer Law Center** – NCLC has a [dedicated webpage](#) for coronavirus, outlining

policy initiatives as well as links to pre-existing resources for consumers in need of legal help or debt advice.

- **Consumer Financial Protection Bureau** – The CFPB has consolidated several helpful resources related to COVID-19 on its dedicated [coronavirus web page](#).
- **American Bankers Association** – The ABA has produced a [list of voluntary actions](#) taken by banks to continue the provision of routine financial services and/or provide relief to consumers. This list is continually updated as banks take additional measures to respond to the COVID-19 pandemic.
- **Forbearance programs** – HUD and the FHFA have highlighted existing forbearance plans as a means of combating the economic shock of coronavirus. GSE forbearance plans suspend mortgage payments and waive associated fees for borrowers facing different hardships, including the impacts of coronavirus.

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