7 Things to Know if You’ve Lost Your Income

The COVID-19 crisis is an uncertain and stressful time for all of us, but especially for those of us who can’t afford to pay our bills. Below are seven things to know if you’ve recently lost your income.

1. **You have at least two potential sources of financial help available to you:**
   
   - Expanded unemployment benefits that cover not only regular employees whose hours have been reduced or cut completely, but also those who are self-employed and independent contractors. You can apply online at [http://www.vec.virginia.gov/](http://www.vec.virginia.gov/). If you are denied benefits, you should seek legal assistance from Central Virginia Legal Aid Society or your local legal aid office.
   
   - The CARES Act stimulus payments of $1,200 per person (plus $500 for each dependent child) will be issued starting in mid-April. Not everyone will be getting these checks, and some people will need to take action to get the check. Learn more at [www.irs.gov/coronavirus](http://www.irs.gov/coronavirus).

2. **Try to avoid high-interest loans.**

   Don’t be tempted to take a high-interest loan while you’re waiting for your benefits and your CARES Act payment from the government. This may end up making your situation much worse.

3. **Virginia courts are closed. That means no evictions and no debt collection lawsuits... for now.**

   The courts in Virginia are effectively shut down until at least April 26. That means no evictions, no debt collection lawsuits ("warrants in debt"), and no garnishments are going to be issued by the court. Even if you can't pay your rent right now, your landlord can't take you to court to evict you—and it's illegal to try to put you out without going to court. It’s a good idea to let your landlord know your situation.
4. Utilities can’t be cut off.

The State Corporation Commission has ordered the various utilities (electricity, water, gas) it regulates not to terminate services to customers who can't pay their utility bills during the crisis.

5. Foreclosures have been halted.

The federal government has ordered a moratorium on foreclosures on federally insured mortgages until May 17. Contact your mortgage holder and a nonprofit housing counselor if you cannot make your payments.

6. Limit access to your bank account.

You may have given authorization to some of your creditors to automatically debit your bank account for payments. Put a stop to this so that you can get control over which creditors are paid first. You can use your bank’s bill pay service to make automatic payments to creditors—this gives you control over starting and stopping those payments.

7. If you have debt, pay it off in the following order (as a general rule):

   1. Rent or house payments
   2. Outstanding utility bills
   3. Food and other basic necessities
   4. Car payments
   5. Any other remaining debt

   If you're facing financial trouble and potential eviction; foreclosure; garnishment; a debt collection lawsuit; or are denied unemployment benefits, Medicaid, food stamps, or other public benefits:

      • Call Central Virginia Legal Aid Society or your local legal aid office. If you don’t know the name of your local legal aid, call 1-866-LEGLAID.
      • Visit: https://www.nclc.org/for-consumers/guide-to-surviving-debt.html for more information on surviving debt.

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