

The “CARES Act:” What’s in It?

Coronavirus and, Relief, and Economic Security Act

Summary from Justice in Aging

On March 27, 2020, Congress passed the CARES Act (H.R. 748), a \$2 trillion funding package aimed at addressing the economic impact of the COVID-19 pandemic on Americans. The CARES Act is the third legislative package to date building on the Families First Coronavirus Response Act (H.R. 6201) signed into law on March 18, and the Coronavirus Preparedness and Response Act (H.R. 6074), signed into law March 6, 2020.

Financial Relief

■ **Individual Tax Rebates/Stimulus Payments.** Individuals with gross incomes up to \$75,000 (\$150,000 married filing jointly) are eligible for a tax rebate in the amount of \$1,200 (\$2,400 married). Families receive an additional \$500 per child. The amount of the rebate will phase out by \$5 for every \$100 up to \$99,000 (\$198,000 married). Individuals who are undocumented immigrants, file taxes using an Individual Taxpayer Identification Number, or adults who were claimed as dependents are not eligible for the rebate. To receive the rebate, individuals must file a 2018 or 2019 tax return using Social Security Numbers for themselves and their dependent children. Many low-income older adults who receive only Supplemental Security Income (SSI) benefits or who have low incomes and normally do not file tax returns will need to file in order to obtain the rebate. Rebates will not affect eligibility for federal means-tested programs like Medicaid, SSI, and SNAP.

■ **Unemployment Insurance.** The law enacts the Federal Pandemic Unemployment Compensation (FPUC). This federal funding will provide an additional \$600 a week for any worker eligible for state or federal unemployment compensation (UC) benefits. The FPUC will be paid in addition to and at the same time (but not necessarily in the same check) as regular state or federal UC benefits. Receipt of FPUC will not impact Medicaid eligibility. The CARES Act also extends the period of unemployment benefits by 13 weeks and allows states to provide unemployment assistance to those who typically would not qualify for benefits as long as the unemployment is related to COVID-19. This would allow some family caregivers and direct care workers access to unemployment assistance.

■ **Mortgages and Evictions.** The CARES Act prohibits foreclosures on all **federally-backed** mortgage loans for a 60-day period beginning on March 18, 2020, and provides borrowers who have experienced financial hardship related to COVID-19 a 180-day moratorium on making loan payments on federally-backed mortgages. Applicable mortgages include those purchased by Fannie Mae and Freddie Mac, insured by HUD, VA, or USDA, or directly made by USDA. A landlord whose mortgage is insured or assisted in any way by HUD, Fannie Mae, Freddie Mac, the rural housing voucher program, or the Violence Against Women Act of 1994 is prohibited from initiating any eviction proceeding or from charging fees or other charges related to the nonpayment of rent for 120 days beginning from the date of enactment of the law (March 27).

■ **Student Loans.** The law allows student loan borrowers to suspend their loan payments for six months ending September 30, 2020. Interest is deferred during this period. This relief is available to those with federally-held loans or those who consolidate their commercial loans with federally held loans.