



# Member Alert

For Receivables Management Association International Members

## Member Alert: Updated COVID-19 Guidance to RMAI Members

*April 13, 2020:* In response to the COVID-19 state of emergency, the Receivables Management Association International (RMAI) will issue updates periodically with guidance for our members. The summary below includes some information we previously communicated on 3/17/20, 3/20/20, and 3/24/20, plus new guidance on the use of Federal Stimulus Funds. Please take a few minutes to read this in its entirety.

### Consumer Collection Activity

RMAI expects its members to have continuing internal discussions with their employees concerning appropriate collection strategies throughout the COVID-19 crisis. As we have all witnessed first-hand, this national crisis has been evolving at a breakneck speed, which we expect will continue for the foreseeable future. As such, our members need to be prepared to make operational adjustments on a weekly, if not daily basis, to remain compliant with regulatory guidance. RMAI reminds our certified members that this is not only a best practice, but also a cornerstone of RMAI's certification program.

When contacting consumers, RMAI encourages its members to actively listen for consumer hardships such as reduced work hours, loss of income, loss of employment, and medical issues associated with the current state of emergency and to respond appropriately. When a consumer claims a hardship, the following are among the options RMAI expects its members to consider extending based on the circumstances unique to the consumer:

- Work with and be sensitive to consumers who have encountered unforeseen circumstances.
- Temporarily or permanently suspend collection activities when a consumer demonstrates that he or she is experiencing significant financial hardship.
- Accept consumer requests in both oral and written form.
- Cease collection activities when you learn the consumer's only source of income is from exempt sources, such as Social Security or Supplemental Security Income benefits, and that the consumer has access to no other assets.
- Place collection holds with respect to the consumer, including all of the applicable consumer's accounts you may own. In other words, all of the consumers accounts should be suspended, not just on an account-by-account basis.
- Consider some other form of assistance such as an extended grace period, balance reduction, or the suspension of interest.

## **Federal Stimulus Funds**

With the pending release of COVID-19 federal stimulus funds to struggling U.S. consumers, RMAI advises members to avoid seeking these funds as a potential source of payment on outstanding consumer obligations. Specifically, to the degree the federal stimulus funds are ascertainable, RMAI asks members to avoid soliciting those funds or otherwise attaching those funds for the purposes of satisfying a debt or money judgment. If a consumer wishes to use these funds for the payment of an obligation, that is acceptable, but should not be solicited.

## **Court-Related Activity**

Certain states have curtailed court operations and closed non-essential business. In some states, court operations are reduced to only emergency matters. Because of the limited capacity of court operations in particular locales, we suggest our members consider the following measures during the suspension of normal court functions:

- Suspend new judgment executions, garnishments and other post-judgment activities.
- Honor requests for forbearance of existing judgments until normal court functions resume.
- Keep apprised and ensure compliance with all state and local court orders regarding any filings.
- Suspend existing foreclosures of personal or real property. And, forbear from initiating new foreclosure actions unless such forbearance may materially impair the creditor's rights or position.
- Determine if applicable statutes of limitations have been tolled and suspend the filing of lawsuits during the tolling, unless such suspension may materially impair the creditor's rights or position.

## **Working from Home**

Beginning on March 17th, RMAI staff began operating remotely from home. Members are encouraged to continue normal communications with RMAI staff who will be available by email and will be actively monitoring and responding to voicemail messages with return calls. Each day, on a rotating basis, one member of the staff will work from the association office.

RMAI encourages its members to allow their employees to work from home to the extent your business operations allow, and in compliance with all local, state, and federal regulatory constraints that are imposed on the collection of debt. Where your business operations do not allow for work from home, you must comply with all applicable laws relating to leave and compensation. Importantly, if you allow employees to work from home you must maintain procedures reasonably adapted to the circumstances and ensures high expectations for the safeguarding of consumer data and privacy.

## **RMAI Certification**

RMAI certified businesses should document their actions taken in response to the COVID-19 crisis as it impacts a number of RMAI certification standards and as such will be needed to demonstrate program compliance during your next Full Compliance Audit.

RMAI is administratively extending to June 1, 2020 the due date of any RMAI certified audit which is due in March, April, or May. This extension also applies to any previously granted audit extensions that falls within these dates.

We are not granting requests for virtual or off-site audits as the onsite component is an important part of the RMAI audit process.

## **RMAI COVID-19 Resource Page**

RMAI maintains a COVID-19 [resource page](#) on the RMAI website that is accessible without a member password. Included on this webpage are COVID-19-related member alerts, webinars, regulatory resources, Executive Orders, and emergency court rules. We update the site daily, so please check back often for updates.

*This alert is intended for members of the Receivables Management Association International and is for informational purposes only and is in no way intended to provide legal advice. Members are encouraged to consult with an attorney of their choice for legal advice concerning this matter.*