

April 16, 2020

The Honorable Sherrod Brown
United States Senate
Washington, D.C. 20510

The Honorable Elizabeth Warren
United States Senate
Washington, D.C. 20510

Dear Senators Brown and Warren:

Thank you for your recent letter regarding America's depository institutions' ongoing efforts to facilitate delivery of Economic Impact Payments (EIP) funds. The scale of this program is unprecedented, and our members are committed to working on behalf of the American people to implement these much-needed federal programs.

America's banks and credit unions are already offering a range of assistance to customers who are experiencing financial hardship due to the pandemic, including waiver of late fees and overdraft fees, loan modifications, payment deferrals, and forbearance. Unfortunately, with regard to stimulus payments, Congress failed to define these payments as benefits subject to preemption from garnishment, and as a result, with regard to any legal garnishment, depository institutions have no discretion and are obligated to comply with applicable state laws and court-ordered garnishments. For this reason, we have urged Congress to clarify that future COVID-19-related stimulus payments be exempt from otherwise legally-binding garnishment orders.

Legally-binding court orders aside, depository institutions are working to provide relief to their customers. That relief may vary from institution to institution, depending on its size as well as operational and other constraints. Many of our depository institutions are taking extraordinary steps to ensure customers are able to access the full economic impact payment, notwithstanding whether the customer has a negative balance in the account.

The financial sector will continue to use a variety of approaches to ensure that consumers receive their funds quickly and in compliance with the law. Our ability to identify and protect these payments will be enhanced by the government prioritizing electronic distribution of payments through direct deposit and by instituting technical improvements to Treasury checks. The undersigned trade associations, through a variety of communications, have advocated for these steps since shortly after the passage of the CARES Act.

Our highest priority is to ensure that economic impact payments reach Americans' wallets quickly, and thereby ensure that individuals and families are receiving these benefits as intended. We welcome continued dialogue on private-public partnerships and collaboration to that end.

Sincerely,

American Bankers Association
Bank Policy Institute
Consumer Bankers Association
Credit Union National Association