

Congress of the United States
Washington, D.C. 20515

April 16, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave NW
Washington, DC 20510

The Honorable Charles Rettig
Commissioner
Internal Revenue Service
111 Constitution Ave NW
Washington, DC 20224

Dear Secretary Mnuchin and Commissioner Rettig:

We write to insist that you use your existing regulatory authority under Section 2201(h) of the CARES Act (P.L. 116-136) to prohibit financial institutions from garnishing the economic impact payments to taxpayers to pay debts owed, ensuring that taxpayers receive their direct cash payments as Congress intended.

On March 27th, 2020, Congress passed the CARES Act, the largest economic stimulus bill in American history. The CARES Act included economic impact payments intended to help Americans weather the disruption in our economy caused by the COVID-19 pandemic, regardless of the amount of debt they hold. However, The American Prospect reports that on April 10, 2020, Ronda Kent, Chief Disbursing Officer with Treasury's Bureau of the Fiscal Service, participated in a call and responded to a bank's question about "whether these payments could be subject to collection from the bank to which the money is deposited, if the payee owes an outstanding loan or other payments to the bank." Kent reportedly answered — twice — that "there's nothing in the law that precludes that action," while counseling that the banks' compliance officers should consult with their legal offices about what policies their banks will implement. This response implies that banks could seize the recovery rebates of those who have outstanding debts or owe other payments to their banks, some of the most vulnerable in our country.

Banks do not need this additional cash at the expense of taxpayers. On March 15, the Federal Reserve lowered the rate for banks to borrow at the Discount Window by 1.5 percentage points and cut the reserve requirement ratio for banks to zero. These actions have increased bank liquidity. Instead, American families need these economic impact payments to help survive during the uncertain economic conditions caused by the COVID-19 pandemic. It is imperative that all eligible Americans receive these payments as soon as possible, and that they are not subject to garnishment by financial institutions and other private debt collectors. Once again, we urge you to use your existing regulatory authority to prevent such garnishment and ensure Americans receive their direct cash payments.

Sincerely,



Judy Chu
Member of Congress

Don Beyer
Member of Congress

Earl Blumenauer
Member of Congress

Suzanne Bonamici
Member of Congress

André Carson
Member of Congress

Joaquin Castro
Member of Congress

David Cicilline
Member of Congress

Gilbert R. Cisneros, Jr.
Member of Congress

Katherine M. Clark
Member of Congress

Yvette D. Clarke
Member of Congress

Steve Cohen
Member of Congress

Jim Cooper
Member of Congress

Danny K. Davis
Member of Congress



Joseph D. Morelle
Member of Congress

Carolyn B. Maloney
Member of Congress

James P. McGovern
Member of Congress

Gwen Moore
Member of Congress

Jerrold Nadler
Member of Congress

Grace F. Napolitano
Member of Congress

Eleanor Holmes Norton
Member of Congress

Alexandria Ocasio-Cortez
Member of Congress

Ilhan Omar
Member of Congress

Jimmy Panetta
Member of Congress

Chris Pappas
Member of Congress

Bill Pascrell
Member of Congress

Chellie Pingree
Member of Congress

Peter A. DeFazio
Member of Congress

Diana DeGette
Member of Congress

Suzan K. DelBene
Member of Congress

Mike Doyle
Member of Congress

Eliot L. Engel
Member of Congress

Veronica Escobar
Member of Congress

Adriano Espaillat
Member of Congress

Dwight Evans
Member of Congress

Tulsi Gabbard
Member of Congress

Sylvia R. Garcia
Member of Congress

Jahana Hayes
Member of Congress

Brian Higgins
Member of Congress

Pramila Jayapal
Member of Congress

Henry C. "Hank" Johnson, Jr.
Member of Congress

Eddie Bernice Johnson
Member of Congress

Mark Pocan
Member of Congress

Mike Quigley
Member of Congress

Jamie Raskin
Member of Congress

Kathleen M. Rice
Member of Congress

Cedric L. Richmond
Member of Congress

Lucille Roybal-Allard
Member of Congress

Tim Ryan
Member of Congress

Jan Schakowsky
Member of Congress

José E. Serrano
Member of Congress

Terri A. Sewell
Member of Congress

Adam Smith
Member of Congress

Darren Soto
Member of Congress

Jackie Speier
Member of Congress

Thomas R. Suozzi
Member of Congress

Mark Takano
Member of Congress

Marcy Kaptur
Member of Congress

Joseph P. Kennedy, III
Member of Congress

Daniel T. Kildee
Member of Congress

Andy Kim
Member of Congress

John B. Larson
Member of Congress

Barbara Lee
Member of Congress

Sean Patrick Maloney
Member of Congress

Dina Titus
Member of Congress

Rashida Tlaib
Member of Congress

Paul D. Tonko
Member of Congress

Xochitl Torres Small
Member of Congress

Nydia M. Velázquez
Member of Congress

Bonnie Watson Coleman
Member of Congress

Susan Wild
Member of Congress