United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510–6075

April 15, 2020

Richard Hunt
President and Chief Executive Officer
Consumer Bankers Association
1225 New York Ave., NW, Suite 1100
Washington, DC 20005

Dear Mr. Hunt:

We write with serious concerns regarding recent reports that banks are seizing the CARES Act stimulus payments from their customers to pay themselves.[1] During this global pandemic and the greatest economic crisis since the Great Depression, it is outrageous and sickening that banks would take money away from struggling Americans.

That is not what Congress intended. We included stimulus payments to help struggling American families pay for food, medicine, and other basic necessities.[2] For that reason, Congress expressly exempted these payments from being offset to pay federal or state debts (except for child support), and provided the Treasury Department with authority to protect these payments from being offset or garnished by banks or debt collectors.[3]

The CARES Act stimulus payments are a financial lifeline for American families during this crisis, especially the more than 17 million Americans who have lost their jobs in the past few weeks. These stimulus payments will also provide a much needed boost to the economy[4]—but only if spent by American families instead of siphoned off by predatory banks and debt collectors.

For weeks, we have pressed the Treasury Department to exercise its authority and ensure that Americans receive the full amount of their stimulus payments.[5] While Treasury has refused to

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[1] https://prospect.org/coronavirus/banks-can-grab-stimulus-check-pay-debts/.

[2] https://www.washingtonpost.com/business/2020/04/14/1200-relief-checks-have-begun-arriving-bank-accounts-people-are-mostly-spending-it-food/.

[3] *See* CARES Act Section 2201(d), (h); see also "CARES Act: Recovery Check FAQ," Chairman Chuck Grassley (Mar. 26, 2020), available at https://www.finance.senate.gov/chairmans-news/cares-act-recovery-checks-faq.

[4] https://www.brookings.edu/wp-content/uploads/2019/05/ES_THP_Sahm_web_20190506.pdf.

[5] *See* April 2, 2020 Letter from Sens. Brown, Wyden, and Warren to Sec. Mnuchin, *available at* https://www.banking.senate.gov/newsroom/minority/brown-senate-democrats-call-on-mnuchin-to-ensure-that-direct-payments-go-to-hardworking-americans-not-to-predatory-debt-collectors, and April 9, 2020 letter from Sens. Brown and Hawley, *available at* https://www.banking.senate.gov/newsroom/minority/brown-hawley-call-on-mnuchin-to-ensure-that-direct-payments-go-to-hardworking-americans-not-to-predatory-debt-collectors.

follow congressional intent, that does not give banks license to steal the stimulus payments from their customers.

During this time of crisis, we must come together to protect our collective health and mitigating the financial blow that Covid-19 is taking on our workers and our economy. We ask that your member banks do the right thing—for their customers, our country, and our economy—and publicly commit that they will not offset their customers' stimulus payments to pay for any fees, charges, or allegedly past due debts.

We look forward to hearing from you and your member banks about steps they are taking to help American families get through this crisis.

Sincerely,

/s/ Sherrod Brown   /s/ Elizabeth Warren
Sherrod Brown   Elizabeth Warren
United States Senator   United States Senator