

United States Senate

WASHINGTON, DC 20510

April 2, 2020

The Honorable Steven Mnuchin
Secretary
Department of Treasury
1500 Pennsylvania, NW
Washington, DC 20220

Dear Secretary Mnuchin:

We write to request that the Department of Treasury (Treasury) take action to ensure that American families receive the full amount of the direct payments Congress provided for in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Congress included this measure in order to help American families struggling to pay for food, medicine, and other basic necessities during the novel coronavirus-19 (COVID-19) pandemic and resulting economic crisis.

Under Section 2201 of the CARES Act, Congress provided for “recovery rebates” of up to \$1,200 for qualifying individuals, along with an additional \$500 per dependent child, to mitigate the financial blow of COVID-19 on our families and economy. To ensure that American families receive the full amount of this intended relief, the CARES Act does not allow for the payment amount to be reduced, or “offset,” for past tax debts or other debts owed to federal or state governments.¹ The only offset that Congress allowed is for past due child support payments.²

To effectuate Congress’s intent, Treasury should ensure that CARES Act direct payments are treated the same way as other federal benefits and cannot be reduced to satisfy private debts (except for child support payments). Treasury rules currently protect two months of direct deposits of Social Security, Supplemental Security Income, and other federal payments into bank accounts from seizure to satisfy garnishment and attachment orders by private debt collectors.³

Treasury implements this rule by attaching a flag to the electronic payment as it is deposited into a recipient’s bank account. Likewise, Treasury should apply this rule and attach this flag to the CARES Act direct payments to ensure Americans receive the full amount of their direct payments, as Congress intended. This is a simple, self-effectuating mechanism that allows banks to use their existing systems to protect these payments to make sure that they are available for

¹ CARES Act Section 2201(d); *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-check-faq>.

² *Id.*

³ 31 C.F.R. §§ 212.1 – 212.12.

payments, as Congress intended. This is a simple, self-effectuating mechanism that allows banks to use their existing systems to protect these payments to make sure that they are available for food, utilities, rent, medicine, and other necessities that Congress intended for families impacted by the economic shock of the COVID-19 crisis.

Thank you for your attention to this important matter. It is critically important that we work together to ensure that Americans receive relief they need to help them get through the COVID-19 pandemic.

Sincerely,



Sherrod Brown
United States Senator



Ron Wyden
United States Senator



Elizabeth Warren
United States Senator