



Congress of the United States  
House of Representatives

April 17, 2020

The Honorable Steven Mnuchin  
Secretary, United State Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Dear Secretary Mnuchin:

I write to urge you to designate Economic Impact Payments (stimulus payments) authorized by Section 2201 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act as federal benefits exempted from garnishment.

The CARES Act is intended to provide immediate relief to Americans who are struggling because of the COVID-19 crisis. One of the centerpieces of this legislation are stimulus payments to individuals with income below \$75,000 or dual filers with income below \$150,000 of \$1,200 or \$2,400 respectively. The legislation also provides an additional \$500 to parents for each of their dependent children under the age of 17. These stimulus payments are supposed to help Americans meet unexpected expenses associated with COVID-19. Given that nearly 40% of Americans cannot cover an unexpected \$400 expense with savings, these payments are critically important to help Americans get through this crisis.<sup>1</sup>

While Congress specifically exempted stimulus payments from some debts owed to states or the federal government, like student loans, due to a legislative oversight, nothing in the CARES Act explicitly protects these payments from private garnishments. Furthermore, while some financial institutions have agreed to pause overdraft fees, others are seizing these payments to cover punitive fees.<sup>2</sup> The only way to guarantee Americans do not have these benefits taken is for you to use the authority provided by the CARES Act to designate these payment as exempted from garnishment.

These funds are intended to help families buy groceries, prescription medication, and other essential items during this public health crisis. Allowing debt collectors to stick their hands into the pockets of working people while we battle a historic illness is counter to the intent of these resources. Congress has empowered you to help families – I urge you to consider this common sense measure and prevent more Americans from unnecessarily suffering.

Sincerely,

Ann McLane Kuster  
Member of Congress

<sup>1</sup> [Board of Governors of the Federal Reserve System, Report on the Economic Well-Being of U.S. Households in 2018. May 2019](#)

<sup>2</sup> [Flitter and Rappeport, Some Banks Keep Customers' Stimulus Checks if Accounts are Overdrawn. April 16, 2020](#)