

United States Senate  
WASHINGTON, DC 20510

April 9, 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 immediate 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 critical relief 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.<sup>1</sup> The only offset that Congress allowed is for past due child support payments.<sup>2</sup>

Treasury has the authority—and must exercise it—to also protect CARES Act direct payments from being seized to satisfy garnishment orders for private debts (except for child support payments). Under current Treasury rules, two months of Social Security, Supplemental Security Income, and other federal payments are protected from being garnished by private debt collectors.<sup>3</sup> Treasury can also apply this rule to protect the CARES Act direct payments from private debt collectors. Alternatively, Treasury can exercise the authority provided under Section 2201(h) of the CARES Act to issue new rules or guidance to protect the direct payments from private debt collectors.<sup>4</sup>

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<sup>1</sup> 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>.

<sup>2</sup> *Id.*

<sup>3</sup> 31 C.F.R. §§ 212.1 – 212.12. Treasury implements this rule by attaching a flag to the electronic payment as it is deposited into a recipient’s bank account.

<sup>4</sup> Section 2201(h) provides: “The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this section . . . .”

If Treasury fails to take action, the CARES Act direct payments are at risk of being seized by debt collectors. That is not what Congress intended. We came together to pass the CARES Act to help American families pay for food, medicine, and other basic necessities during this crisis. To carry out Congress's intent and ensure that American families receive the help they need, we ask that you immediately exercise your authority to protect these payments from private debt collectors.

Thank you for your attention to this important matter.

Sincerely,



Sherrod Brown  
Sherrod Brown  
United States Senator



Josh Hawley  
Josh Hawley  
United States Senator