

Consumer, Banking Groups Applaud Bill to Exempt Economic Impact Payments from Garnishment

FOR IMMEDIATE RELEASE: May 26, 2020

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WASHINGTON, D.C. — Consumer groups and banking industry organizations joined together today to support bipartisan legislation that would prevent Economic Impact Payments from being subject to garnishment. The following statement was issued today by the American Bankers Association, Bank Policy Institute, Consumer Bankers Association, The Clearing House, **National Consumer Law Center** (on behalf of its low income clients), Americans for Financial Reform, Center for Responsible Lending, Consumer Action, Consumer Federation of America, Consumer Reports, National Association of Consumer Advocates, Public Citizen and U.S. PIRG:

“We commend Senate Finance Committee Chairman Chuck Grassley (R-Iowa), Finance Committee ranking member Ron Wyden (D-Ore.), and committee members Sherrod Brown (D-Ohio) and Tim Scott (R-S.C.) for introducing bipartisan legislation to prevent Economic Impact Payments from being garnished by debt collectors. America’s banks stand ready to provide full access to funds appropriated for the explicit purpose of helping families make ends meet during these difficult times, but need Congress to move forward with this legislation to enable them to do so.

“Under the CARES Act, Congress exempted Economic Impact Payments from offset for debts owed to federal and state agencies, except in the case of child support, but did not exempt them from court-ordered garnishment to pay creditors. As a result, banks have been obligated to treat them accordingly, which has imposed a significant burden for some families facing unprecedented circumstances. This important bill would make these payments exempt from garnishment. Providing this certainty would ensure that American families receive these benefits as intended. We urge the Senate to move quickly to pass this legislation.”