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*Fighting Together
for Economic Justice*

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February 23, 2026

Submitted via [Regulations.gov](https://www.regulations.gov)

Director, TOP Division
Disbursing and Debt Management
Bureau of the Fiscal Service
Landover Warehouse, 3201 Pennsy Drive
Landover, MD 20785

**Re: Debt Collection Authorities Under the Debt Collection Improvement Act of 1996
(Docket No. FISCAL-2023-0004; RIN No. 1530-AA17)¹**

The National Consumer Law Center (on behalf of its low-income clients) appreciates the opportunity to submit these comments to the Department of the Treasury (“Treasury”), Bureau of Fiscal Services (“Fiscal Service”).

I. Proposed definition of address in 285.1 is not reasonably calculated to ensure that notices reach the alleged debtor.

The proposed 285.1 would create a definition for address:

Address means physical street address, post office box number, electronic address (including electronic mail and telephone numbers capable of receiving text messages or similar alerts), or other reasonable address through which written notice can be delivered to a debtor or payee. For the purposes of § 285.43(b)(2)(i), the term “address” is limited to a physical street address or post office box.

The Supplemental Information states that this term was previously used but not defined and that “[t]he proposed definition clarifies that due process notices and offset notices can be sent via first class mail, email, text message, or other reasonable means.”

¹ Debt Collection Authorities Under the Debt Collection Improvement Act of 1996, 90 Fed. Reg. 60,034 (Dec. 23, 2025).

The proposed rules do not provide any guidance about when it is appropriate to use an “electronic address” or further define what an “other reasonable address” is. Instead, the Supplemental Information appears to leave this up to the individual federal agency to determine, stating:

Agencies should determine that the method used for delivering information to an address is consistent with relevant law and security policies. With regard to due process notices, agencies should also determine that the address used to send notice is reasonably calculated to reach the debtor.

The proposed definition of “address” would allow *electronic only* delivery of critical due process and offset notices, and it would do so without providing guidance for creditor agencies to ensure that the electronic delivery methods are reasonably calculated to provide alleged debtors with actual notice. Furthermore, the proposed rules do not provide any guidance about how creditor agencies can avoid disclosing alleged debts to unrelated third parties.

The final rules should, instead, clarify that creditor agencies should use an electronic address to provide notice only if the alleged debtor has consented to receive communications from the creditor agency at that address, has demonstrated that they can receive communications at that electronic address, and has not withdrawn consent for the creditor agency to communicate with them at that electronic address. These steps will make it more likely that the correct individual will actually receive the message and will also be in keeping with existing government policies.²

Additionally, the final rules should clarify that creditor agencies should not provide due process or offset notices as links or attachments to electronic communications such as emails or text messages. To avoid phishing scams, the public is generally told not to click on links or attachments from unknown senders.³ Even when an individual has consented to electronic communications, critical due process and offset notices should be in the body of the message. Where character limits make this impossible - such as in text messages - then that type of electronic communication is not an appropriate way to convey that information.

² See, e.g., IRS, Report fake IRS, Treasury or tax-related emails and messages (Dec. 8, 2025) (“We never email without your permission . . . We don’t send text messages without your permission.”), available at: <https://www.irs.gov/help/report-fraud/report-fake-irs-treasury-or-tax-related-emails-and-messages>.

³ See, e.g., *Id.* (“Don’t reply, click links or open attachments.”).

In keeping with existing government policies,⁴ the final rules should also clarify that creditor agencies should not use social media, including direct messages on social media platforms, to communicate due process or offset notices.

The final rules should also require creditor agencies to monitor for nondelivery - such as undelivered email messages - and nonreceipt - such as when the evidence shows that the recipient of an electronic message did not open that message within a one-week period of time. Where there is nondelivery or nonreceipt, the final rules should require creditor agencies to provide notice by another method. Regulations should also clarify that notice periods do not run from the date that a creditor agency provided an electronic message when there was nondelivery or nonreceipt of the message.

II. Proposed 285.1 allows for the use of overly loose matching criteria, potentially leading to Treasury offsets affecting the incorrect consumer.

Proposed 285.1 includes a definition of “match” that would allow overly loose matching criteria, which could lead to erroneous offsets against individuals who are not actually the correct debtor. In the context of consumer credit reporting, we have seen the phenomenon of “mixed files” harm consumers who were wrongly tagged with harmful credit information because of the use of overly loose matching criteria such as partial Social Security number (SSN) matches. We urge Treasury to continue using a definition of “match” that requires that the full SSN or other Taxpayer Identification Number (TIN) be the same between the payment record and the debt record.

Treasury has proposed a definition in § 285.1 which states that a “match” only requires that “a payment record is the same person as the debtor on a debt record, *as determined by Fiscal Service* using information derived from the payment record and the debt record” (emphasis added). Similarly, proposed § 285.41 only requires the Fiscal Service “to determine that the person entitled to payment on a payment record is the same person as the debtor on a debt record, including name control, taxpayer identifying number, and other necessary identifiers, *if any.*” (emphasis added)

According to the Supplementary Information, these proposed definitions of a “match” are intended to provide:

statutory flexibility for disbursing officials in determining when the person entitled to payment on a payment record is the same person as the debtor on a debt record. The proposed definition would allow disbursing officials to determine whether there is a

⁴ See, e.g., *Id.* (“We never send direct messages by social media.”).

match by using information derived from the payment and debt records, which would not necessarily require an exact match on the name or TIN.

90 Fed. Reg. at 60,037.

The Supplementary Information also contrasts this proposed definition with language in current § 285.1 which requires that the TIN of a payment record be the “same” as the TIN of a debt record. *Id.*

The use of partial matches of SSNs and other TINs to make a match is extremely problematic. It is this very practice that leads to the very harmful phenomenon of mixed files in credit reporting. Mixed files occur most often when two or more consumers have similar SSNs as well as similar names or other identifiers. Mixed files are caused by overly loose matching criteria, particularly the tendency by credit bureaus to match based on only seven out of nine digits of a consumer’s SSN.⁵ Allowing disbursing officials to use partial SSN matches and partial name matches could result in similar problems in tagging the wrong person, which would result in an offset of the federal payment of the incorrect individual.

Such problems could be unacceptably frequent. According to an expert witness for the credit bureau Equifax in a lawsuit over a mixed file, one-to-two percent of consumer files contain inaccurate information due to mixed files, which the court noted “means approximately two-to-four million Americans have inaccurate information in their credit reports because of mixed files.”⁶ With 12 million tax refund offsets in in FY 2023 just for child support debt,⁷ a one to two percent error rate due to tagging the wrong taxpayer would result in tens of thousands of individuals having their federal payments or tax refunds improperly offset. Another statistic comes from a review conducted by journalists of over 20,000 credit reporting complaints filed with the Federal Trade Commission found that about six percent of these consumers alleged their credit reports had been mixed with another person.⁸

⁵ National Consumer Law Center, Fair Credit Reporting, § 4.3.3.2.2 (10th ed. 2022), updated at www.nclc.org/library (listing legal cases documenting use of 7 out of 9 digit SSN matching leading to mixed files).

⁶ *Miller v. Equifax Info. Servs., L.L.C.*, 2014 WL 2123560, at *2 (D. Or. May 20, 2014).

⁷ National Child Support Enforcement Association, Quick Facts: Federal Tax Refund Offset Program, June 2024, <https://www.ncsea.org/wp-content/uploads/2024/07/Quick-Facts-Federal-Tax-Offset-Program-2024.pdf>

⁸ Mike Wagner & Jill Riepenhoff, Credit Scars: Mixed and Marred, Columbus Dispatch, May 7, 2012.

Certain populations are at particular risk of mixed files, and thus might be at heightened risk of an incorrect Treasury offsets. Mixed files are a common problem for siblings, as they often will share similar SSNs, similar names, and have shared an address.⁹ It is also a common problem for parents and their children when they share similar names.¹⁰ Certain racial or ethnic minorities may be more vulnerable to mixed files, because there is less name diversity in their populations, a phenomenon known as “name clustering.”¹¹

Thus, we urge Treasury to retain the current requirement in § 285.1 that the TIN, including SSNs, be the same in order for there to be a “match” between the payment record and the debt record and include the same requirement in proposed § 285.41. Indeed, we believe that such a requirement is necessary under the Computer Matching and Privacy Protection Act, which requires independent verification of matches unless, *inter alia*, the relevant Data Integrity Boards waives the requirement.¹² Such waivers require there to be a “high degree of confidence that the information provided to the recipient agency is accurate.”¹³ Matches based on partial SSN or TIN matches do not provide a “high degree of confidence” as to their accuracy and thus trigger a requirement for independent verification.

III. Protecting Social Security [Proposed 285.30(c) and 285.31(c)]

A. Confirm that Proposed 285.30(c) Continues to Allow Full or Increased Exemption of Social Security Payments

The Trump Administration has made a strong commitment to protecting Social Security benefits, including issuing a Presidential Proclamation in 2025 stating that “Social Security is

⁹ National Consumer Law Center, Fair Credit Reporting, § 4.3.3.1 (10th ed. 2022), updated at www.nclc.org/library / (listing legal cases involving siblings whose credit information was mixed).

¹⁰ *Id.* (listing legal cases involving parents and children whose credit information was mixed).

¹¹ See CFPB, Advisory Opinion on Fair Credit Reporting; Name-Only Matching Procedures, 86 Fed. Reg. 62,468 (Nov. 10, 2021), citing Joshua Comenetz, Frequently Occurring Surnames in the 2010 Census 3–7 (Oct. 2016), available at <https://www2.census.gov>; U.S. Census Bureau, Hispanic Surnames Rise in Popularity (Aug. 9, 2017), available at <https://www.census.gov>; U.S. Census, What’s in a Name (Dec. 15, 2016), <https://www.census.gov>.

¹² 5 U.S.C. §552a(p).

¹³ *Id.* at §552a(p)(1)(A)(ii)(II).

rooted in a simple promise: those who gave their careers to building our Nation will always have the support, stability, and relief they deserve,” and that the president “recommit(s) to always defending Social Security.”¹⁴ The administration’s commitment has included actions specifically to protect people who rely on Social Security from offsets that could push them into poverty, and thus undermine the support and stability promised by the program. For example, in 2019, during the first Trump Administration, Treasury approved a request from the Social Security Administration to exempt all Supplemental Security Income payments from offset under existing 31 CFR § 285.5(e)(7).¹⁵ And in 2025, the Department of Education announced that it had “put a pause on any future Social Security offsets”¹⁶ to collect student loan debt, explaining that “The Trump Administration is committed to protecting Social Security recipients who oftentimes rely on a fixed income.”¹⁷

We applaud these actions, and encourage Treasury to ensure that its final rules make clear that such categorical protections of Social Security benefits, in either full exemptions or exemption of requested amounts or percentages, continue to be permissible under proposed 285.30(c). This is particularly important for ensuring that the Social Security program is able to continue to serve its purpose of protecting those who can no longer work due to age or disability from poverty and providing “a secure and stable base so that older Americans may live in dignity.”¹⁸ While the DCIA provides a minimum benefits protection of \$750 per month and \$9,000 per year—which ensured that offset could not push Social Security benefits below the poverty threshold when the protection was set in 1996—that protection has not been indexed to inflation and is no longer adequate. The administration must therefore be able to continue to set protections above that floor, including categorical protections if requested by the Social Security Administration.

We therefore urge Treasury to ensure that its final rules are consistent with the promise of Social Security, and make clear that categorical protections of Social Security benefits, including

¹⁴ Presidential Proclamation, 90th Anniversary of the Social Security Act (Aug. 2025), available at <https://www.whitehouse.gov/presidential-actions/2025/08/90th-anniversary-of-the-social-security-act/>.

¹⁵ Dep’t of Treasury, Fiscal Year 2019 Report to the Congress on United States Government Non-tax Receivables and Debt Collection Activities of Federal Agencies at 24 (July 2020), available at <https://fiscal.treasury.gov/files/debt-management/debt19.pdf>.

¹⁶ Newsweek, Trump’s Education Department Pauses Social Security Change (June 3, 2025), available at <https://www.newsweek.com/education-department-pauses-social-security-garnishment-2080110>.

¹⁷ Annie Nova, Trump administration changes mind, won’t cut Social Security benefits over defaulted student loans, CNBC (June 3, 2025), <https://www.cnbc.com/2025/06/02/trump-pauses-social-security-benefit-cuts-over-defaulted-student-loans.html>.

¹⁸ U.S. Social Security Administration, Presidential Statements, President Ronald W. Reagan (Apr. 20, 1983), available at <https://www.ssa.gov/history/reaganstmts.html>.

those the administration has already adopted, are and continue to remain permissible under the new rules.

B. Proposed 285.31(c)(2) Would Allow Offset to Push Recipients into Deep Poverty

Treasury has proposed a new regulatory provision that would, for the first time, allow the federal government to reduce Social Security benefits below \$750 per month to collect nontax debt. Because this could cause the federal government to push older adults and people with disabilities who rely on Social Security into deep poverty, contrary to the purpose of the Social Security program, we urge Treasury to omit this provision from the final rules.

Proposed Section 285.31(c)(1)(iii) generally protects at least \$750 per month in covered benefit payments, including Social Security payments through the OASDI program, from offset to collect federal nontax debt. This protection is consistent with longstanding regulatory protections. However, proposed 285.31(c)(2) would newly permit disbursing officials to disregard this minimum protection and reduce payments below \$750 if the recipient has received at least \$9,000 in total federal benefit payments within the prior 12 months (ie, \$750/month). As a result, an older adult relying on Social Security who has received the minimum protected amount of \$9,000 in benefits in the prior 12-month period can lose this protection and have their next benefit payment reduced below even the meager \$750 monthly protection, effectively limiting the protection to only 12 months.

While we appreciate that the language only permits—rather than requires—the government to disregard the minimum \$750 monthly protection, we remain concerned that it permits reduction of monthly benefits below a threshold that is already well below the poverty level today, and thus allows the government to push older or disabled Americans who rely on Social Security into deep poverty—defined as 50% of the poverty threshold.¹⁹ When the \$750/\$9000 minimum protection was set by Congress in 1996, it represented 116% of the federal poverty level for a single-person household, meaning the protection ensured that Treasury offset would not push someone who relied on Social Security into poverty.²⁰ Today, that \$750/\$9000

¹⁹ See, e.g., Dep't of Health and Human Services, [Issue Brief: U.S. Financial Condition and Health Care Burdens of People in Deep Poverty](#) (July 2015) (describing conditions of people in deep poverty in the U.S. and defining deep poverty as income below 50% of the poverty threshold).

²⁰ In 1996, 100% of the federal poverty guideline for a household/family size of one was \$7740 per year, or \$645 per month. Prior HHS Poverty Guidelines, available from the U.S. Dep't of Health and Human Services at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/prior-hhs-poverty-guidelines-federal-register-references>.

protection is only 56% of the federal poverty line,²¹ meaning it provides less than half the protection relative to the poverty line as it did originally.

The proposed new regulatory provision would further erode this already diminished protection by allowing the federal government to offset Social Security payments below 56% of the poverty line. As a result, the proposed provision would allow Treasury offset to push someone who relies on Social Security into deep poverty for the month. We urge Treasury to consider that in 2026, someone who has received \$9000 in benefits within the prior 12 months is highly unlikely to have been able to save any of that income to help them get by in a future month, because they are already living well below the poverty line and thus are likely unable to keep up with necessary expenses. As a result, those prior benefit payments will not provide a buffer against a reduction in benefits below \$750, and into deep poverty, for a future month.

We therefore urge Treasury to omit proposed 285.31(c)(2) from the final rule, and to maintain the longstanding protection of at least \$750 per month in covered benefit payments from offset.

If you have any questions about these comments, please contact April Kuehnhoff at akuehnhoff@nclc.org.

Respectfully submitted,

National Consumer Law Center (on behalf of its low-income clients)

²¹ For 2026, 100% of the federal poverty guidelines for a household/family size of one is \$15,960 per year, or \$1330 per month. 2026 Poverty Guidelines, available from the U.S. Dep't of Health and Human Services at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.