

HOUSE RESOLUTION NO. 246

Rep. Anthony offered the following resolution:

1 A resolution to memorialize the United States Department of
2 the Treasury to use its rulemaking authority to exempt Coronavirus
3 Aid, Relief, and Economic Security (CARES) Act stimulus payments
4 from private debt collection by banks.

5 Whereas, The COVID-19 pandemic has drastically altered the
6 lives of Americans. In order to combat the spread of the virus
7 through social distancing, Michigan has closed all non-essential
8 businesses and requested that residents stay home except for
9 essential activities; and

10 Whereas, Compliance with social distancing measures has
11 shuttered a majority of the country's economy. These business
12 closures have forced millions of Americans into a difficult
13 financial situation as their source of income evaporated. In



1 Michigan, more than one quarter of the state's workforce has filed
2 for unemployment; and

3 Whereas, Congress passed the Coronavirus Aid, Relief, and
4 Economic Security (CARES) Act to provide support to Americans
5 during the crisis. Among the acts provisions is direct aid to
6 residents through stimulus payments by the United States Department
7 of the Treasury; and

8 Whereas, These stimulus payments will be critical to the
9 financial security of many Americans during the crisis. Without
10 their normal source of income, stimulus payments may be necessary
11 to pay for necessities, such as mortgages and electricity; and

12 Whereas, Americans may not be able to use their entire
13 stimulus payment if they have outstanding debts with a bank. Banks
14 can choose to take part of the payment for debts with the
15 institution, such as overdraft fees or delinquent loans; and

16 Whereas, The ability of banks to deduct these amounts from
17 stimulus payments could have a significant impact on their
18 effectiveness. Each of the nation's 10 largest banks charge
19 overdraft fees of more than \$30. In 2017, consumers paid more than
20 \$34.3 billion in overdraft fees; and

21 Whereas, The United States Department of the Treasury has the
22 power to exempt stimulus payments from these collections and ensure
23 that the payments are directed where Congress intended. The CARES
24 Act allows the department to issue regulations or guidance
25 necessary to implement it, including the ability to designate CARES
26 payments as exempt from private debt collections; and

27 Whereas, The CARES Act is intended to help Americans meet
28 their immediate economic needs during this crisis. Allowing banks
29 to take CARES stimulus payments would undermine the purpose of the



1 act and hurt Americans during these unprecedented times; now,
2 therefore, be it

3 Resolved by the House of Representatives, That we memorialize
4 the United States Department of the Treasury to use its rulemaking
5 authority to exempt Coronavirus Aid, Relief, and Economic Security
6 (CARES) Act stimulus payments from private debt collection by
7 banks; and be it further

8 Resolved, That copies of this resolution be transmitted to the
9 United States Secretary of the Treasury and the members of the
10 Michigan congressional delegation.