

April 29, 2020

The Honorable Steven Mnuchin  
Secretary  
U.S. Department of the Treasury  
Washington, DC

Re: Delivery of Economic Impact Payments to Americans

Dear Secretary Mnuchin:

The undersigned bank and credit union trade associations, representing members of all sizes in every state and territory, have worked with the Department of the Treasury over the past several weeks to ensure the safe and secure delivery of Economic Impact Payments (EIPs) to more than 100 million Americans under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). We believe that maximizing electronic disbursements and minimizing paper payments will benefit individual recipients and the country.

The EIP process can be made even more efficient for recipients and the financial services industry if additional clarity is gained in certain operational areas. The undersigned associations have enclosed with this letter a list of questions for the Department of the Treasury – answers to which will provide guidance to financial institutions currently processing electronic and paper check transactions. This important information will help get much-needed relief payments to recipients faster. The responses will not only provide clarity in the near-term, but will also serve as a guidepost for any future relief payment initiatives that may be forthcoming.

It is very important for officials to address the report in yesterday's *The Wall Street Journal* that the Department of the Treasury shall seek the return of EIPs sent to the deceased via paper check and Automated Clearing House (ACH) payments. This report is contrary to guidance previously provided by the Department of the Treasury, and contravenes both Nacha Rules and Treasury's own *Green Book* that govern federal ACH payments. To reduce confusion amongst recipients and their financial institutions, we request that this matter be addressed with all due haste.

We look forward to continuing our partnership with you and your team to strengthen our dialogue and to facilitate the most efficient Economic Impact Payment process as possible. We would be happy to discuss the issues behind these questions in greater depth at your convenience.

Sincerely,

AMERICAN BANKERS ASSOCIATION  
THE CLEARING HOUSE  
CONSUMER BANKERS ASSOCIATION  
CREDIT UNION NATIONAL ASSOCIATION  
INDEPENDENT COMMUNITY BANKERS OF AMERICA  
INNOVATIVE PAYMENTS ASSOCIATION  
NACHA  
NATIONAL ASSOCIATION OF FEDERALLY-INSURED CREDIT UNIONS

# Clarifying Questions on Economic Impact Payments (EIPs) for the Department of the Treasury (Treasury)

Will Treasury:

1. Release more detailed forecasts of check and ACH payment volume, timing, and locations to help financial institutions better prepare?
2. Provide the projected dates for when the check and ACH EIPs will be concluding?
3. Provide a check validation file to private sector solutions providers to act as a back up to the Treasury Check Information System (TCIS) program and add recipient data to the file and/or the API?
4. Seek private sector solutions to:
  - a. Screen ACH rejects for alternative bank routing information to avoid sending paper checks?
  - b. Screen their data bases of designated check recipients for bank routing information to avoid sending paper checks?
  - c. Screen deposit account information entered by recipients on the portals to avoid proliferation of fraud and returned payments due to invalid accounts.
5. Provide guidance on the treatment of payments that are later determined to be misdirected or “over paid” since federal benefit reclamation rules do not apply?
6. Leverage the prepaid programs that are already in existence (Direct Express and U.S. Debit Card) to enroll new card holders to increase the number of electronic payments?
7. Specific Check Processing Issues
  - a. Use a unique check symbol to help banks identify these payments instead of using two symbols?
    - i. If Treasury will not use only one symbol, can you provide guidance on how both 40414 and 40381 will be used?
    - ii. Will only one number be used at a time?
  - b. Provide the check series numbers for EIPs to financial institutions in a secure manner?
  - c. Use a unique routing number for checks to improve fraud detection?
  - d. Provide guidance on bank acceptance of checks made out jointly where one spouse is deceased?
  - e. Provide guidance on bank acceptance of checks made out singly where the recipient is deceased?
    - i. When should banks accept checks for deposit?
    - ii. Does the date of death affect the procedure?
    - iii. Does the procedure change whether and estate account is open or closed?
  - f. Provide guidance on bank acceptance of checks made out to incorrect or misspelled names due to divorce or clerical error?
  - g. Provide guidance on bank acceptance of checks payable jointly to a couple now divorced?
  - h. Provide guidance on bank acceptance of checks prior to the payable date on the checks?
  - i. Provide details on how often TCIS populates its database to reflect checks actually printed?  
Ex. For checks printed on Saturday, when are they posted in TCIS?

## 8. Electronic Payment Issues

- a. Provide guidance on bank acceptance of an ACH entry payable jointly where one spouse is now deceased?
- b. Provide guidance on bank acceptance of an ACH entry payable singly to a deceased recipient?
- c. Provide guidance on bank acceptance of an entry payable jointly to an account where only one party has access due to divorce?
- d. Provide clarity regarding the memo field for SSA, SSI, RRA (Railroad retirement accounts).
  - i. Will the description remain "TAXREF", or will a different description be used? If so, how much notice will be provided to the industry, because it is essential the industry has sufficient time to prepare for the change well before the payments are sent?
- e. Provide information on the source of the banking information in the ACH files because the reject rate will differ depending on if the data relies on the portal or SSA/VA benefits where regular payments have been made?
- f. Going forward, send prenotification ACH entries to identify closed and not found accounts before sending a payment?
- g. Going forward, use the bank-centric ACH Enrollment (ENR) process, currently used to provide Social Security bank routing information for recipients, for EIPs?
- h. Use the ACH Notification of Change (NOC) process to receive corrected bank account information from financial institutions?
- i. Provide guidance on how to handle multiple deposits into a single account where the receiver is not confirmed as a tax preparer?
- j. Transmit EIPs via ACH only on Fridays without commingling with tax refunds to allow these payments to be treated differently in terms of business operations and business decisions?

## 9. Portal Issues

- a. Inform users when their payment will be sent?
- b. Remove the language saying an electronic payment was made to account ending in xxxxx for payments that were rejected and returned due to account closed/not found and allow those recipients to provide their payment account information (with appropriate validation) to send out via ACH vs. defaulting to check?
- c. Inform recipients if their check has already cleared and provide an image of the check to identify potential fraud more quickly?
- d. Inform recipients if their check has been returned as undeliverable and describe how to update their address?