

Congress of the United States
Washington, DC 20515

April 17, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

The Honorable Charles Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue NW
Washington, D.C. 20224

Dear Secretary Mnuchin and Commissioner Rettig,

Thank you for your leadership in distributing CARES Act recovery rebates to Americans as quickly and efficiently as possible.

As part of that effort, we write to bring your attention to payment mechanisms that can be useful for distributing recovery rebates to Americans who do not have direct deposit information on file with the IRS. According to the FDIC 2017 national survey of unbanked and underbanked households, more than one in four American households— approximately 27 percent— are either unbanked or underbanked. While the rate of unbanked Americans is near an all-time low due to technological innovations in the financial services marketplace like mobile banking, approximately 6.5 percent of U.S. households— or 8.4 million— still do not have anyone in the household with a checking or savings account. Additionally, the IRS has estimated that approximately 80 million of the 150 million Americans eligible for a recovery rebate do not have direct deposit information on file. This will inevitably lead to challenges with distributing these payments efficiently.

Fortunately, there are well-established payment methods available from private sector payments providers, including diverse, innovative financial services companies, that can assist with distributing these funds. General purpose reloadable (GPR) cards are one such method for which the process for an individual to receive the payment would be relatively simple. An eligible individual could order a GPR card online without having to go into a physical store, input the card information and their personal information into the IRS portal, and receive the funds onto the card— and the cardholder could even use the funds to make purchases online or via mobile pay using the card number before the physical card arrives in the mail. We believe this would be a much more effective method of distributing funds than sending out millions of paper checks to Americans, many of whom do not have a checking account.

On April 15, the Consumer Financial Protection Bureau updated its guide to COVID-19 economic stimulus relief to indicate that consumers can receive their stimulus payment using a prepaid card. This was an important development and will help inform consumers that prepaid is an option. However, we also believe it is critically important for the IRS to update its non-filers portal and get my payment portal to make it clear that GPR cards are an option as those are the

primary places where consumers will go for information about their recovery rebate. This would help reduce public confusion and allow a large segment of Americans to receive their support payments more quickly. We have learned that some individuals are unaware that they can use their GPR card's routing and direct deposit number to register their card with the IRS and expedite their payment. Accordingly, we respectfully request that GPR cards be clearly listed as an option in the IRS's portals so that millions of Americans with GPR cards will know that they can use their card and know how to register it with Treasury and receive a direct deposit in a timely manner.

In sum, we hope that alternative payments methods like GPR cards can be an option for unbanked and underbanked Americans to receive recovery rebates. Thank you for your consideration of this request.

Sincerely,



Barry Loudermilk
Member of Congress



Bill Foster
Member of Congress