Senator Kevin Thomas Calls on U.S. Department of Treasury to Protect Stimulus Checks from Debt Collectors

KEVIN THOMAS   April 17, 2020

| ISSUE: **CORONAVIRUS**, **COVID-19 STIMULUS CHECKS**

(Levittown, New York) — **New York State Senator Kevin Thomas**, who serves as Chairman of the Committee on Consumer Protection, wrote a letter to the Secretary of the U.S. Department of the Treasury Steven Mnuchin, urging his office to protect the stimulus checks being sent to Americans across the nation this week from garnishment by creditors or debt collectors.

To date, over 1.2 million New Yorkers have applied for unemployment as a result of COVID-19. After seeing their jobs and income diminish as the coronavirus slows economic activity, many New Yorkers, especially low-income families, are counting on stimulus checks from the federal government's $2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act to stay up to date on rent or mortgage payments and other crucial expenses.

The CARES Act exempts stimulus payments from certain garnishment orders, such as debts owed to state and federal agencies, but does not cover orders to pay private creditors. As a result, stimulus payments could be reduced or taken by creditors or debt collectors if an individual has outstanding debts.

Senator Thomas urged The Department of Treasury to take action by designating the emergency stimulus payments as exempt from garnishment.

"No New Yorker should find themselves without access to funds, unable to buy food, medicine or other necessities because of a debt collection judgment," **Senator Kevin Thomas** wrote. "Unfortunately, the Economic Impact Payments make individuals easy targets for creditors and debt collectors who will use stimulus payments as an opportunity to collect old debts. The Department of Treasury must act urgently to ensure the Economic Impact Payments are kept in the hands of individuals who desperately need to prepare for and endure the coronavirus public health emergency."