



ECONOMIC IMPACT PAYMENT “STIMULUS CHECKS” & CHECK CASHING Q&A

Are financial institutions open for business?

- Financial Institutions from large national banks, community banks, and credit access businesses have all qualified as essential businesses under disaster preparedness standards and are currently operating across Texas, though under modified operating plans to meet public health guidance.

How will stimulus payments be received?

- Direct deposit or automated payments:
 - The payments will be received by direct deposit for qualifying individuals who included account information on their 2018 or 2019 tax return.
 - Taxpayers who have not authorized a direct deposit can update their bank information using the U.S. Department of Treasury [website](#).
- Prepaid accounts:
 - The Consumer Financial Protection Bureau (CFPB) issued a [statement](#) stating that it modified a rule to “pave the way” for prepaid accounts to get stimulus funding to individuals faster than paper checks. Bankers caution that it’s ultimately the decision of the IRS on how to distribute the funds.
- Paper checks:
 - The U.S. House Committee on Ways and Means has issued this [timeline](#) on when payments, including paper checks, are expected to be issued.

Where else can government checks be cashed?

- Certain national banks:
 - Half of the banks that are members of the Texas Bankers Association have indicated they will also cash stimulus checks for non-customers for no fee, but they have not announced this publicly.
- Certain payday lenders and other credit access businesses:
 - Larger payday lenders may cash stimulus checks with no fee associated.
 - Smaller credit access businesses are not allowed to keep sufficient cash on hand under federal money services business regulations to make that statement.
 - Of note - most transactions at a payday lender are performed via direct deposit or automated payments.
- Certain pawn shops:
 - Pawn shops that are currently not registered as a Money Service Business have a \$1,000 limit on cashing checks.
 - Most stimulus payments are expected to be more than the \$1,000 limit. In order for pawn shops that are not currently registered as a money service business to cash a stimulus check, there will need to be a waiver granted by the Federal Government for that specific purpose.

**This document was prepared with the input of the Independent Bankers Association of Texas, the Texas Bankers Association, Consumer Service Alliance, Pawn Coalition*