

May 18, 2020

The Honorable Greg Abbott
Governor of Texas
State Capitol
P.O. Box 12428
Austin, TX 78711

Dear Governor Abbott:

As members of the Texas Senate, we join you in responding to the concerns of the near 29 million Texans and countless more as we attempt to make wise and timely decisions in response to the global pandemic, novel coronavirus. This letter is to address an issue that we believe could negatively impact thousands of Texans as we grapple with the personal financial toll that COVID-19 has extracted.

An April 18, 2020 article published by the news entity VOX describes how private debt collectors are able to garnish the up to \$1,200 per individual Economic Impact Payment(s) (EIP) going out to many Americans from the federal government to assist with living expenses and lost income during the current crisis. For reasons not known, neither Congress nor the U.S. Treasury Department wrote language into the Coronavirus Aid, Relief, and Economic Security Act (CARES) that would make EIPs exempt from private seizure in the same manner as other government aid programs, such as with Social Security or veteran's benefits. Reports add that in addition to consumer debt collectors, banks can also seize EIP funds deposited in customer accounts.

To date, the governors of Illinois, Washington and Oregon have issued Executive Orders that prohibit debt collectors from garnishing EIPs. In addition, on April 13, 2020, attorneys general from 25 states signed onto a letter requesting that U.S. Treasury Secretary Steve Mnuchin take action by rule that would exempt EIP funds from seizure by creditors. Texas was not among the 25 states to sign-on.

However, Texas has been a party to this discussion. On April 9, 2020, the Texas Supreme Court issued an emergency order that temporarily prohibited creditors from serving new garnishments

or freezing bank accounts belonging to indebted consumers. This order had the support of consumer advocates, the National Creditors Bar Association, and also state banking organizations.

Last week on May 14, 2020, the Court issued a new order that allows private debt collections to resume. Although the new order provides protections for stimulus payments, individuals must request a court hearing for a final determination. In other words, stimulus payments are not automatically protected from garnishment. This requirement creates an unnecessary and unhelpful layer of administrative burden on the courts, as well as on the individuals affected, which could result in delays or denial of this essential emergency income.

Clearly, it was neither the intent of Congress nor of the White House that billions in federally-appropriated funds intended to help struggling Americans with necessities be used to satisfy credit card bills or other forms of private debt. As these payments to Texas families will continue for weeks and months to come, it is imperative that we ensure that they are used for their intended purpose. We therefore ask that you issue an executive order making clear that EIP funds may not be garnished or otherwise attached by creditors, thereby protecting beleaguered Texas families from loss of this vital federal financial support. As always, we stand ready to help in efforts that would improve the plight of those who struggle to make financial ends meet. COVID-19 has unexpectedly added the names of millions to those rolls.

Our best for Texas!



Royce West
Senate District 23



Carol Alvarado
Senate District 6



Borris Miles
Senate District 13



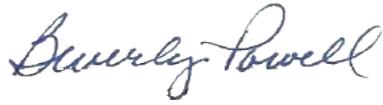
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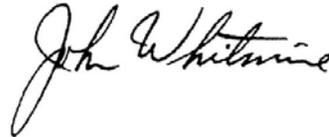
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