WBA: Statement on garnishment of CARES Act stimulus checks

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"Wisconsin's banks must follow the law and legal court orders without exception. If a court has ordered a garnishment, banks are obligated to follow the law.

Amid the current crisis, WBA has joined the American Bankers Association and Independent Community Bankers of America in calling on Congress and the administration to designate that the government's economic impact payments are not eligible for garnishment (read the letter to Congress here). However, unless Congress acts, banks will continue to be obligated to follow the law and legal court orders.

Wisconsin banks are already offering a range of assistance to customers who are experiencing financial hardship due to the pandemic including fee waivers, loan modifications, and forbearance. Banks will continue to use all options available to them to provide relief to customers.

There are specific instances where banks have discretion. In situations where a bank customer may have a negative balance on their account, the bank has discretion to offset the checks. However, many institutions may elect to forgo any offset depending on the customer's specific situation.

Again, I encourage any customer experiencing financial difficulty to contact their banker to discuss options."