April 14, 2020

Steve Andrews
President & CEO, Western Bankers Association

Diana Dykstra
President & CEO, California Credit Union League

Gene Micco
Chairman, California Community Banking Network

Dear Mr. Andrews, Ms. Dykstra, and Mr. Micco:

We extend our gratitude for the voluntary actions taken by your members to provide relief to their customers during this chaotic time. During times of crisis, Californians benefit when public and private sector actors work together based on shared values of safety and provision of basic necessities. We write to you today on an urgent matter that could affect many financially vulnerable families in California.

Many California families are relying on the incoming stimulus funds to make their rent or mortgage payment, to put food on the table, or to access medical care. We ask that your members refrain from seizing stimulus funds to offset delinquent loan payments or other past-due fees. Recent media reports highlight the urgency of this situation and identify voluntary actions by JP Morgan Chase to ensure stimulus funds are not used to offset a negative balance in a customer’s account.¹

We ask that your members make all reasonable efforts to preserve the value of stimulus funds and to make the funds available to consumers as soon as possible. In the event that funds are sent to a closed account or an account with a negative balance, we ask that your members consider alternative means of disbursing the payments to consumers before returning all such funds to Treasury. Families who are struggling to afford the basic necessities need these funds as soon as logistically possible.

A large portion of stimulus funds have transferred from Treasury to accounts at your member institutions. We ask that you prioritize this urgent request in order to protect the financial well-being of California families who are struggling to make ends meet during this crisis.

Sincerely,

MONIQUE LIMÓN  
Chair, Assembly Banking & Finance Committee

MARK STONE  
Chair, Assembly Judiciary Committee

STEVEN BRADFORD  
Chair, Senate Banking & Financial Institutions Committee

HANNAH-BETH JACKSON  
Chair, Senate Judiciary Committee