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## **NEWS FOR IMMEDIATE RELEASE**

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### **AG Kaul Joins Bipartisan Coalition Urging Federal Government to Ensure Emergency Stimulus Payments Go to Families, Not Debt Collectors**

MADISON, Wis. – Attorney General Kaul yesterday joined a bipartisan coalition of 25 attorneys general in calling on the U.S. Department of the Treasury to take immediate action to ensure billions of dollars in emergency stimulus payments authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) go to American families and not debt collectors. Congress passed the CARES Act three weeks ago to provide direct and immediate economic relief to all individuals and businesses affected by the coronavirus disease 2019 (COVID-19) public health crisis, but — unlike other government programs — the CARES Act does not explicitly designate these emergency stimulus payments as exempt from garnishment from creditors. In a [letter](#) to Treasury Secretary Steven Mnuchin, the coalition asked the agency to protect CARES Act funds, like other government relief programs, and ensure funds go where they were originally intended.

“The coronavirus has caused hundreds of thousands of Wisconsinites to lose their jobs,” said Attorney General Kaul. “The emergency payments authorized by the CARES Act should be going to families in need of immediate financial relief to make ends meet, not creditors and debt collectors.”

The CARES Act authorizes the Treasury Department to issue emergency stimulus payments of up to \$1,200 for eligible adults and up to \$500 for eligible children. Similar government relief programs intended to provide for Americans’ basic needs — like Social Security, disability, and veterans’ payments — all are statutorily exempt from garnishment, a legal mechanism that typically involves the “freezing” of funds in a bank account by creditors or debt collectors. But — in what was a

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likely oversight by Congress to quickly pass the law — the CARES Act does not explicitly designate these emergency stimulus payments as exempt from garnishment, allowing debt collectors to potentially benefit before consumers.

In their letter to Secretary Mnuchin, the coalition — led by New York Attorney General Letitia James — urged the secretary to use his authority under the CARES Act to stave off economic uncertainty for millions by immediately issuing regulation or guidance explicitly designating CARES Act “benefit payments” as funds that are exempt from garnishment.

“During this public health and economic crisis, the States do not believe that the billions of dollars appropriated by Congress to help keep hard-working Americans afloat should be subject to garnishment,” the attorneys general write. Continuing, “Treasury has stated that ‘[i]n the weeks immediately after the passage of the CARES Act, Americans will see fast and direct relief in the form of Economic Impact Payments,’ and we request Treasury’s assistance in ensuring Americans are able to retain that monetary relief.”

Attorney General Kaul joined Attorney General James and the attorneys general of California, Colorado, Delaware, Hawaii, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, and Washington, as well as the Hawaii Office of Consumer Protection in signing the letter to the Treasury Department.