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April 13, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue N.W.
Washington, D.C. 20220

Dear Mr. Secretary:

On behalf of the Receivables Management Association International (“RMAI”), the nonprofit trade association that represents more than 550 companies that purchase and service performing and nonperforming receivables on the secondary market, I write in support of recent efforts to ensure that direct funds distributed to households through the Coronavirus Aid, Relief, and Economic Security (CARES) Act are not subject to collection as part of resolving outstanding receivables.

As you know, the CARES Act will provide “recovery rebates” of up to \$1,200 per qualifying individual and up to \$2,400 per qualifying household, as well as an additional \$500 per dependent child. Given the acute and significant financial hardship many households are facing because of the COVID-19 crisis, we believe that recovery rebates should not be subject to garnishment or other compulsory methods of recouping funds for the repayment of valid debts. Accordingly, we are issuing the enclosed alert to our members advising them that RMAI recommends that they do not solicit any amount of recovery rebates or otherwise attach such funds to satisfy a valid debt or money judgment, to the degree these funds are ascertainable.

We also support formal protections for these funds. Pursuant to the CARES Act, we understand that the Treasury Department may issue rules and guidance with respect to these funds. We support a rule or guidance from Treasury applying the rules under 31 CFR Part 212, *et seq.* to recovery rebates.

In addition to our aforementioned guidance, our members, who work in a variety of financial services fields, including debt buying companies, collection agencies, law firms, originating creditors, international members, and industry-related product and service providers, are doing their part to help American households affected by this crisis. For instance, our members are enhancing their existing hardship policies to provide temporary relief from collections for consumers who notify us that they are impacted by COVID-19. Specifically:

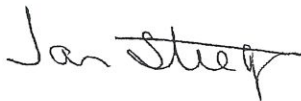
1. Temporarily suspending collection activities when a person demonstrates that he or she is experiencing significant financial hardship due to job loss or medical issues related to COVID-19;
2. We are encouraging our members to honor written and oral requests from consumers for relief through their hardship policy.

3. Ceasing collection activities when they receive documentation indicating that the consumer's only source of income is from exempt sources, such as Social Security or Supplemental Security Income benefits, and that the consumer has access to no other assets;
4. Obtaining consumer hardship contact information and recommending to any consumer experiencing a financial hardship due to COVID-19 that he or she reach out to the consumer support departments of the creditor, collection agency, or collection law firm engaged with them to report that he or she is impacted by COVID-19 and request a temporary cessation of collection activities;
5. Upon learning of consumer hardship, helping consumers in need who are directly impacted by COVID-19, either through illness or job loss, to understand their payment options, maintaining open lines of communications and extending temporary hardship assistance whenever possible;
6. Placing collection holds with respect to the consumer, which suspends collections on all of the consumer's accounts, not just on an account-by-account basis; and
7. Working with and being sensitive to consumers who encounter unforeseen circumstances.

We and our members take hardship issues seriously, both in times of national crisis and in times of personal crisis, which is why we implemented guidance on hardship programs long before the COVID-19 crisis. Through these programs, temporary and permanent suspension of collection activities are available for people who are unable to pay. For example, people who are recent widows or widowers, ill, no longer employed, victims of a natural disaster, incarcerated, disabled or those who are on active duty are eligible for a temporary or permanent hold on collections as well as flexible repayment plans. These hardship programs allow consumers facing short-term setbacks to recover and prevent continued collections for those facing permanent setbacks.

RMAI and its 550 member companies appreciate and applaud the work you, the Administration, and Congress have done to address the tremendous financial harm the COVID-19 pandemic has caused. We appreciate your attention to these efforts. If RMAI and its members can be of assistance, please let me know.

Sincerely,



Jan Stieger
Executive Director
Receivables Management Association International

Enclosure:

Updated COVID-19 Guidance to RMAI Members