



Coronavirus (COVID-19): How to stop your bank from taking some of your Stimulus Money

The information here applies to banks and credit unions.

Overview

You may owe your bank money. Maybe you bounced a check, and now you owe overdraft fees. Maybe you have a negative account balance. Maybe you defaulted on (stopped paying) a loan from your bank.

Many Americans will get stimulus money soon thanks to the federal CARES Act. Read [Questions and Answers: Coronavirus \(COVID-19\) Stimulus Payments in Washington State](#), available at washingtonlawhelp.org.

The stimulus money will be direct deposited into a bank account or mailed to you as a paper check. **You do not want to deposit the money in a bank account if you owe your bank money.**

Can the bank take my stimulus money if I owe them money?

Yes. The CARES Act does **not** prohibit a bank from taking any of your stimulus money to cover a negative balance, a defaulted loan, payments owed on a credit card you have with the bank, or overdraft fees.

Many banks have pledged not to do this. Banks who have made this pledge include USAA, Bank of America, JPMorgan Chase, Citibank and Wells Fargo. **This is not a complete list.**

If your payment is taken, contact your bank right away. You should also talk to a lawyer.

Does the bank have to get a court order to take my money?

No. If you owe the bank for one of the reasons listed above, the bank does not need an order from a court or other government agency. It can do it by itself.

The money was accidentally direct deposited to a bank account that I had closed.

This might happen if that account is the most recent one the IRS has record of. The bank must send the money back, even if you owe the bank. The Department of Treasury will then send you a paper check.

But be careful. You might think the account is closed. But in reality **the account is still open** with a negative balance because you never officially closed it. Then the bank can take the stimulus money to cover what you owe it. Contact the bank right away. You should also talk to a lawyer.

Can the bank take my stimulus money for other reasons?

Your stimulus money can be garnished to pay for child support you owe. Read [Questions and Answers: Coronavirus \(COVID-19\) Stimulus Payments in Washington State](#).

How can I keep the bank from taking my stimulus money?

Ask for a paper check instead of direct deposit. Use this link: www.irs.gov/coronavirus/non-filers-enter-payment-info-here. When you get the check, you can cash it at your bank. **Do not deposit it into your account!**

❖ www.irs.gov/coronavirus/non-filers-enter-payment-info-here does not work on mobile phones.

Get Legal Help

- Outside of King County, call the CLEAR Hotline at 1-888-201-1014 weekdays between 9:15 am - 12:15 pm.
- In King County call 211 weekdays between 8:00 am - 6:00 pm. They will refer you to a legal aid provider.
- Seniors (age 60 and over) can also call CLEAR*Sr at 1-888-387-7111 (statewide).
- You can also apply online with CLEAR*Online: nwjustice.org/get-legal-help.

This publication provides general information concerning your rights and responsibilities. It is not intended as a substitute for specific legal advice.

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