

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Bulletin 2021-01-BT/CU

In the matter of:

**Protection of Stimulus Funds
and Employee Assistance Payments**

**Issued and entered
this 4th day of January 2021
by Anita G. Fox
Director**

On December 28, 2020, the federal government authorized a second round of direct stimulus payments to individuals, similar to the stimulus payments provided for in the CARES Act in May 2020. In addition, on December 29, 2020, Governor Whitmer signed Senate Bill 748 of 2020, which provides \$45 million in employee assistance for certain employees who were employed in workplace affected by gathering restrictions for facilities.

Michigan residents will soon begin receiving these payments, which are intended to provide financial relief during the ongoing COVID-19 pandemic. These stimulus payments are issued to help individuals provide for necessities, such as food, medicine, and housing during this public health emergency. This guidance is being issued in recognition of the fact that many of these stimulus payments will be deposited into Michigan-chartered financial institutions' customer accounts.

Michigan financial institutions are encouraged to treat such deposits in a manner that enables recipients to use the funds, to the greatest extent possible, for basic living needs and emergencies. Therefore, Michigan financial institutions are strongly urged not to access the stimulus funds to satisfy overdrafts that existed prior to a stimulus payment being deposited, to exercise rights of offset against the funds with respect to other debts without express agreement of the customer or member. If a financial institution's system automatically applies a stimulus payment to an account overdraft, the financial institution is urged to reverse the application of the stimulus payment as promptly as possible. In addition, Michigan financial institutions are strongly urged not charge against the stimulus funds for fees, such as overdraft fees, ATM fees, and late payment fees.

DIFS appreciates the continuing efforts of financial institutions to help protect Michigan residents during the ongoing COVID-19 public health emergency.

Any questions regarding this Bulletin should be directed to:

Office of Banking or Office of Credit Unions
Department of Insurance and Financial Services
530 W. Allegan Street – 8th Floor
P.O. Box 30220
Lansing, Michigan 48909-7720
Toll Free: (877) 999-6442

/s/

Anita G. Fox
Director