

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

Bulletin 2021-13-BT/CU

In the matter of:

Protection of Direct Payments
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**Issued and entered
this 15th day of March 2021
by Anita G. Fox
Director**

On March 11, 2021, through the American Rescue Plan, the federal government authorized a third round of direct payments to individuals, similar to the payments provided for in the CARES Act in May 2020 and the COVID-19 Relief Package in December 2020. The American Rescue Plan also provides a supplement to and extension of unemployment insurance benefits through September 2021.

Michigan residents will soon begin receiving these payments, which are intended to provide financial relief during the ongoing COVID-19 pandemic. These 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 payments will be deposited into Michigan-chartered financial institutions' customer accounts.

Michigan financial institutions are encouraged to treat these 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 funds to satisfy overdrafts that existed prior to a direct payment being deposited, or 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 direct payment to an account overdraft, the financial institution is urged to reverse the application of the direct payment as promptly as possible. In addition, Michigan financial institutions are strongly urged not charge against the direct payments 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