

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

Bulletin 2020-25-BT/CU

In the matter of:

Protection of Stimulus Funds

**Issued and entered
this 14th day of May 2020
by Anita G. Fox
Director**

On March 10, 2020, Governor Whitmer issued Executive Order 2020-04, which declared a state of emergency across the State of Michigan due to the COVID-19 pandemic. Since then, the virus has spread across Michigan, bringing deaths in the thousands, confirmed cases in the tens of thousands, and deep disruption to this state's economy, homes, and educational, civic, social, and religious institutions. On April 1, 2020, in response to the widespread and severe health, economic, and social harms posed by the COVID-19 pandemic, Governor Whitmer issued Executive Order 2020-33 which expanded Executive Order 2020-4 and declared both a state of emergency and a state of disaster across the state of Michigan under section 1 of article 5 of the Michigan Constitution of 1963, the Emergency Management Act, and the Emergency Powers of the Governor Act of 1945. On April 30, 2020, finding that COVID-19 had created emergency and disaster conditions across the State of Michigan, Governor Whitmer issued Executive Order 2020-67 to continue the emergency declaration under the Emergency Powers of the Governor Act, as well as Executive Order 2020-68 to issue new emergency and disaster declarations under the Emergency Management Act through May 28, 2020 at 11:59 p.m.

Michigan residents have begun receiving stimulus payments from the federal government under the CARES Act for the purpose of providing financial relief during the 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 and disaster. This guidance is being issued in recognition of the fact that many of these stimulus payments are deposited into Michigan-chartered financial institutions' customer accounts.

Michigan financial institutions are encouraged to treat such deposits in the spirit of the disaster relief legislation to enable 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 COVID-19 public health emergency and disaster.

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