

June 30, 2025

Tyler Curtis  
Director, Office of Consumer Policy  
Department of the Treasury

**RE: Request for Information Related to the Executive Order, “Modernizing Payments To and From America's Bank Account” (Docket No. TREAS-DO-2025-0004)**

Dear Mr. Curtis,

On behalf of NeighborWorks America (statutorily the Neighborhood Reinvestment Corporation) I want to thank you and the Department of Treasury (“Treasury”) for engaging the public and seeking out the expertise of industry and community stakeholders as you develop a comprehensive public awareness campaign to inform Federal payment recipients of the transition to electronic payments and address financial access for unbanked and underbanked populations. Please note that these comments were developed in consultation with members of the NeighborWorks network but have not been submitted to or approved by NeighborWorks America’s Board. They reflect the view of NeighborWorks America management and do not necessarily represent the views of its Board members, either collectively or as individuals.

NeighborWorks America (NeighborWorks) is a Congressionally chartered nonprofit organization established in 1978. NeighborWorks America supports a network of nearly 250 nonprofit housing and community development organizations, which provide on-the-ground service to families and communities in every state, the District of Columbia, Puerto Rico, and on Native lands. These organizations develop service-enriched rental housing to address affordable housing needs, spearhead community stabilization and engagement activities to revitalize neighborhoods affected by economic downturn or natural disasters, and work to rebuild pathways to improved credit, savings, and sustainable homeownership for low- to moderate-income families. Financial capability is a core component of this work, with 144 network organizations reporting that they provide asset building and financial capability services. In FY 2024, NeighborWorks organizations provided 48,200 customers with financial capability services.

As EFT payments and digital banking have become increasingly common, a relatively small share of the population continues to rely on paper checks for financial transactions with the United States government. This population, however, faces the highest degree of friction to making the change to EFT payments, as discussed below. As Treasury pursues the aims of the Executive Order, NeighborWorks encourages extreme caution and sensitivity to the needs of these consumers, for whom government benefits payments are likely a critical lifeline, and any disruption to receipt of these payments may be extremely destabilizing.

To the extent possible, NeighborWorks urges that these changes be implemented with the maximum amount of forewarning, communication, and support for benefits recipients. In addition, NeighborWorks encourages Treasury to offer a grace period for those who do not establish EFTs by the deadline, as well as a user-friendly escrow system from which benefits recipients can claim missed payments. The Executive Order also allows for exceptions where compliance is not practicable, and NeighborWorks urges robust implementation of these provisions.

Answers to selected questions from the RFI follow.

**What are some of the factors causing individuals and organizations to continue to use paper checks to receive or make payments to the Federal Government?**

Broadly, there are two categories of consumers who continue to use paper checks: those who cannot access other payment options and those who prefer to continue using paper checks. The former category is largely populated by consumers who have faced past struggles with financial institutions, who lack personal and financial documentation, and who may not have a fixed address.

The latter category, those for whom continuing to use paper checks is a preferred system, is often characterized by consumers who have a trust gap with financial institutions and/or the financial system as a whole, who face capability or technological barriers to digital banking, or who simply prefer the active participation in their financial management that a paper check requires. Receiving a paper check in the mail and hand carrying it to be deposited or converted to cash allows recipients to verify receipt. Many, though not all, of these consumers are seniors who have a lifetime of experience of using paper checks. For these individuals, the memory of the trauma of bank failures in previous eras that destabilized their families' financial situations is a strong motivation to limit their exposure to financial systems.

**What barriers exist for transitioning individuals and organizations to electronic funds transfer (EFT) options?**

While limited in number, there are consumers for whom getting a bank account remains a significant barrier. Transient and unhoused populations are more likely to face this issue, as are consumers who have caused a financial institution a credit loss in the past. Individuals who cannot access a traditional bank product may turn to fintech for an alternative. While the broader availability of these products can be seen as a benefit, this space is much more lightly regulated, and customers may find themselves victim to predatory or otherwise unsafe practices and products. Financial coaches and other financial capability professionals can play an important role in helping to connect consumers with safe, affordable, and appropriate products, while helping them to avoid potential pitfalls.

**Have there been successful campaigns in the private sector or in other areas to transition individuals from paper checks to EFT options that could inform Federal efforts?**

Organizations within the NeighborWorks network have attempted to incentivize a shift away from cash or money orders for rental payments in their housing properties but have encountered significant resistance. This suggests that households' motivations for choosing these methods of making payments are quite strong and changing them requires significant effort.

NeighborWorks recommends that Treasury take a very intentional approach to communicating this change that clearly explains the benefits, while also offering a reasonable grace period and accommodations where necessary.

**What information should a public awareness campaign include and what support or tools are needed to help people transition from using paper checks to EFT options for Federal payments?**

To transition away from using paper checks, consumers need easy access to safe, affordable financial products. These products need to be low- or no-cost and allow consumers to control features like overdraft protection so as not to get trapped in a spiral of unaffordable fees. Banks could be encouraged to offer products that meet [BankOn National Account Standards](#), with low minimum balance requirements, the ability to turn off overdraft privileges, and low fees. A certificate of financial education from a partner organization could also serve as a gateway to a bank account for consumers who may not otherwise qualify. Counselors and coaches are a valuable resource and should be activated to assist consumers to navigate their options and learn how to safely use their chosen product.

For those consumers who are unable to access a bank account, an increasing array of fintech products have come on the market, some of which are specifically targeted or marketed to consumers who have previously caused losses to financial institutions—often as a result of foreclosure—and have therefore been flagged in approval systems. While some of these products fill needed market gaps, there is an increased risk of products with features that are not consumer friendly. Furthermore, many of the consumers who might need fintech products are not sufficiently technologically adept to navigate them. In such situations, individuals often turn to a friend or family member for assistance, but providing access to accounts to others increases the risk of fraud.

**As Treasury coordinates with other Federal Government agencies on this public awareness campaign, what are the most effective communication channels for Federal agencies to reach program participants and other payees? Are there external entities or organizations in the private or nonprofit sectors that Federal agencies should partner with to increase awareness among beneficiaries and payees?**

To be effective, communication will need to be frequent, accessible, and come from trusted sources. These must include official sources as the primary distributors of information, along with trusted community partners to help validate, interpret, and integrate the information. Critically, information about the impending changes should be included in the check mailings

that benefits recipients currently receive. These mailings should include a plain language explanation of the changes that will take place, the timeline on which the changes will happen, and offer resources for beneficiaries to seek assistance. NeighborWorks also encourages Federal benefits programs to continue to send paper mailings to beneficiaries even after the transition to EFTs has occurred, either verifying that a successful payment has been made or providing information on what to do for those consumers who have not set up EFTs.

For many consumers, the United States Postal Service is another official source for trusted information, whether through flyers or posters displayed on-site or through mailings sent to households. State and local governments and housing authorities should also be engaged to distribute information, which could be provided in tandem with distribution of other benefits payments including SNAP. Similar to the successful #GetBanked campaign that linked consumers to the FDIC's information about bank accounts from the IRS stimulus payment site, links to the relevant FDIC pages should be featured prominently on any website containing information about the shift away from paper checks from the federal government.

Community partners must also be included in this effort. Organizations that participate in the IRS's Volunteer Income Tax Assistance program, affordable housing providers, societies for aging, and other similar service providers can help consumers navigate these changes, whether by disseminating information to affected communities, providing direct support to navigate the changes, and serving as liaisons to private sector financial institutions to ensure that mainstream banking products are available and accessible to facilitate this transition. In many communities, there are already coalitions of nonprofits and private sector financial institutions (including, but not limited to, Bank On coalitions) that can be leveraged for this purpose. Each of these organizations can use newsletters, social media, appointment scheduling systems, and other means of communication to ensure that information is shared broadly around the community.

Times of transition and change can create opportunities for bad actors to pursue scams, fraud, or otherwise take advantage of consumers who find themselves in a position of increased vulnerability. Extreme care should be taken to both provide consumers with clear information to guide the transition, as well as red flags to look out for to avoid being taken advantage of.

In the wake of the foreclosure crisis and for several years thereafter, NeighborWorks America ran the Stop Home Scams campaign to inform consumers about the dangers of mortgage-related scams. In addition to providing general information, NeighborWorks also connected consumers with trained housing counseling professionals who could provide individualized service to help consumers navigate their situations. NeighborWorks encourages Treasury to consider how resources might be made available to support the work of financial capability professionals to provide similar services.

**Which electronic payment methods are typically used to make or receive payments by the general public, unbanked individuals, and individuals who rely on paper checks from the Federal Government? Why do individuals choose these payment methods?**

Based on the experience of financial capability professionals in the NeighborWorks network, many consumers use a variety of means to manage their finances, employing a mix of paper and digital tools depending on the circumstance. For example, though many households have a bank account, they use a combination of apps like CashApp, money orders, and cash to make and receive payments, depending on the situation. For many households, the physical act of making or receiving a payment is a critical component of ensuring that the transaction was completed correctly. Maintaining an active role gives them the visibility and security of knowing exactly how much money was transferred and when the transaction took place. Digital tools can provide notifications and record-keeping, but access and comfort with these tools is far from universal.

### **Conclusion**

Though NeighborWorks shares many of the Administration's goals of increasing efficiency and reducing fraud, NeighborWorks is concerned that eliminating paper checks will cause hardship to already vulnerable populations. The recommendations contained in this letter are intended to help Treasury ease this transition. NeighborWorks and our network of community-serving nonprofits stand ready to assist Treasury to ensure that beneficiaries continue to receive their payments without interruption.

Sincerely,

A handwritten signature in blue ink, appearing to read "KTO", enclosed in a blue oval.

Kirsten T. Johnson-Obey  
SVP, Public Policy and Legislative Affairs  
NeighborWorks America