



June 30, 2025

Tyler Curtis, Director
Office of Consumer Policy
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Re: Request for Information Related to the Executive Order, “Modernizing Payments To and From America’s Bank Account;” Document ID: TREAS-DO-2025-0004-0001; Document Number: 2025-09766; 90 Fed. Reg 23108 (May 30, 2025)

Dear Ladies and Gentlemen:

Better Markets¹ appreciates the opportunity to comment on the request for information (“RFI”) related to the U.S. Treasury’s planned transition away from paper checks and to digital payments.² The RFI is directly related to the implementation of Executive Order 14247, issued on March 25, 2025, titled “Modernizing Payments To and From America’s Bank Account” (“Executive Order”).³ The Executive Order directs the Secretary of the Treasury to stop issuing paper checks and transition to the use of electronic payments for all Federal disbursements—including tax refunds, benefits payments, vendor payments, and intragovernmental payments—effective September 20, 2025.

It is true that as electronic forms of payment have become more prevalent throughout the financial system, paper check usage has trended downward, but check payments are still relied upon by consumers, small businesses, and the government for everyday transactions.⁴ For

¹ Better Markets is a non-profit, non-partisan, and independent organization founded in the wake of the 2008 financial crisis to promote the public interest in the financial markets, support the financial reform of Wall Street, and make our financial system work for all Americans again. Better Markets works with allies—including many in finance—to promote pro-market, pro-business, and pro-growth policies that help build a stronger, safer financial system that protects and promotes Americans’ jobs, savings, retirements, and more.

² Request for Information Related to the Executive Order, “Modernizing Payments To and From America’s Bank Account;” Document ID: TREAS-DO-2025-0004-0001; Document Number: 2025-09766; 90 Fed. Reg 23108 (May 30, 2025); <https://www.federalregister.gov/documents/2025/05/30/2025-09766/request-for-information-related-to-the-executive-order-modernizing-payments-to-and-from-americas>.

³ Modernizing Payments To and From America’s Bank Account; Document Number 2025-05522; 90 Fed. Reg. 14001 (Mar. 28, 2025), <https://www.federalregister.gov/documents/2025/03/28/2025-05522/modernizing-payments-to-and-from-americas-bank-account>.

⁴ See, e.g., Andrew Van Dam, *Paper Checks Are Dead. Cash Is Dying. Who Still Uses Them?*, THE WASH. POST (Sept. 15, 2023), <https://www.washingtonpost.com/business/2023/09/15/paper-checks-who-uses/>.

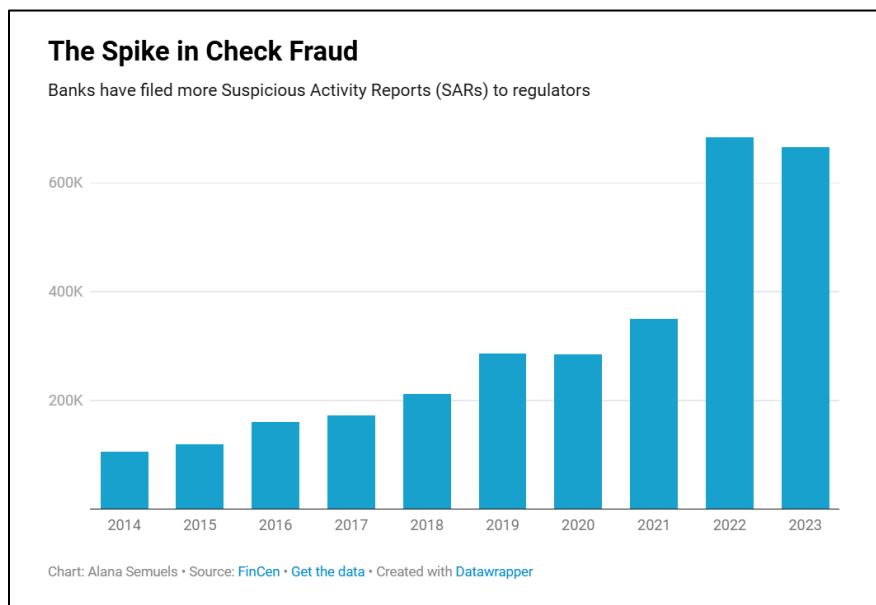
example, Federal Reserve (“Fed”) data show that 11.2 billion checks flowed through the financial system in 2021, for a total of more than \$27 trillion.⁵

The Executive Order and this RFI are specifically focused on eliminating paper check payments to and from the federal government. This is a sensible objective for many reasons. As the RFI states, the Treasury’s policy goals include:

- Defending against financial fraud and improper payments,
- Increasing efficiency,
- Reducing costs, and
- Enhancing the security of federal payments.⁶

Check fraud has indeed ballooned in 2022 and 2023 (see Chart 1).⁷ Policymakers are right to consider changes that would reduce the harm this fraud causes to consumers, businesses, banks, and the government.

Chart 1



⁵ Board of Governors of the Federal Reserve System, *Federal Reserve Payments Study: Cards and Alternative Payments, 2021 and 2022* (Nov. 2024), <https://www.federalreserve.gov/paymentsystems/fr-payments-study.htm>.

⁶ Request for Information Related to the Executive Order, “Modernizing Payments To and From America’s Bank Account,” *supra* note 2 at 23108.

⁷ Alana Semuels, *Defrauded? Banks May Not Give Your Money Back*, TIME (June 13, 2024), <https://time.com/6987981/banks-check-fraud/>.

Beyond the problem of fraud, using checks for payments to and from the government is expensive and time-consuming, considering everything from writing to mailing to processing them. The Treasury states:

Paper checks place more burden on the public to access their money, increase the potential for payment exceptions, and are not cost-effective for the government or the public. For instance, paper check disbursements are four times more expensive and, historically, 16 times more likely to have an exception (such as reported lost or stolen, returned undeliverable, or altered) compared to electronic disbursements.⁸

The Treasury has been aware of these problems and focused on solutions for several years, and we applaud the progress it has made to transition from paper checks to electronic payments since 2019.⁹ In partnership with the Internal Revenue Service (“IRS”) and other parts of the government that issue and receive the most payments, significant progress has been made to move check payments to faster, more efficient, and less fraud-prone electronic means. In Fiscal Year 2023, the electronic payment rate for Treasury-disbursed payments was more than 96%, and the electronic payment rate for IRS individual tax refunds was nearly 80%.¹⁰ This shows that while there is certainly room for further improvement, a large majority of government payments are already being made electronically.

We strongly support the U.S. Treasury’s continued work to transition to electronic payments. However, we have several serious concerns with the plan as described in the Executive Order, including:

- Harm to Underserved Communities; People of Color, Native Americans, and Native Alaskans; Americans Living in Rural Areas; Older Americans; and Unbanked Individuals: There are many reasons that some Americans cannot receive or do not feel comfortable using electronic means to make or receive payments to and from the government. Forcing a rapid transition away from checks and to electronic delivery for these individuals, who in many cases are the most financially and economically vulnerable in our society, would be a grave, careless, and cruel decision. The Executive Order does mention the availability of “limited” exceptions in this transition,¹¹ but the process for requesting such exceptions could be difficult, confusing, or time-consuming. Moreover, it is not clear what the criteria would be for granting such exceptions.

⁸ U.S. DEPARTMENT OF THE TREASURY, AGENCY PRIORITY GOAL: FISCAL SERVICE MAKES PROGRESS TO REDUCE PAPER CHECKS, <https://fiscal.treasury.gov/agency-priority-goal/apg-4-0-article.html> (last accessed June 27, 2025).

⁹ *Id.*

¹⁰ *Id.*

¹¹ Modernizing Payments To and From America's Bank Account, *supra* note 3 at 14002.

- An Increased Risk of Fraud: Data from the Fed show that, as measured by both the count of incidences and the amount of money lost, fraud involving debit card transactions exceeds fraud for checks.¹² This is concerning because the Treasury cites the prevalence of fraud as one of the primary reasons that federal government check payments are being eliminated. Debit cards are among the electronic means that have been suggested¹³ to deliver payments to customers instead of checks. Therefore, changing from checks to debit card delivery could actually *increase* the fraud risk for consumers, banks, and the government, not decrease it.
- Potential for a Subsequent Requirement that Electronic Federal Payments Be Made Using Cryptocurrency: Leaders in Washington and on Wall Street are increasingly supporting efforts to allow the cryptocurrency industry to infiltrate our financial system. It is bad enough that financially vulnerable Americans could be forced to shift to electronic payments if they are unable to do so, but it would be catastrophic if the proposed changes in this Executive Order are the precursor to a wholesale change for all Americans to have to make and accept payments to and from the federal government using cryptocurrency.

BACKGROUND

Data show that 11.2 billion checks were written, deposited, and processed by banks and the Fed in 2021, for a total of more than \$27 trillion.¹⁴ While both the number and dollar amount of check transactions have declined in the last two decades (see Charts 2 and 3), it is clear that checks remain an important method of payment for consumers, small businesses, and the government.¹⁵ Main Street Americans who are the recipients of government payments rely on funds delivered by checks to pay for everyday necessities such as food, housing, and medical care. Veterans rely on payments from the Veterans Administration, and retired Americans rely on payments from the Social Security Administration to fund daily needs. Many of these payments are also delivered by check.

¹² THE FEDERAL RESERVE FINANCIAL SERVICES, KEY FINDINGS FROM THE ANNUAL FEDERAL RESERVE FINANCIAL SERVICES (FRFS) FINANCIAL INSTITUTION RISK OFFICER SURVEY 4 (2024), <https://www.frbfinancialservices.org/binaries/content/assets/crsocms/news/research/2024-risk-officer-survey-results.pdf>.

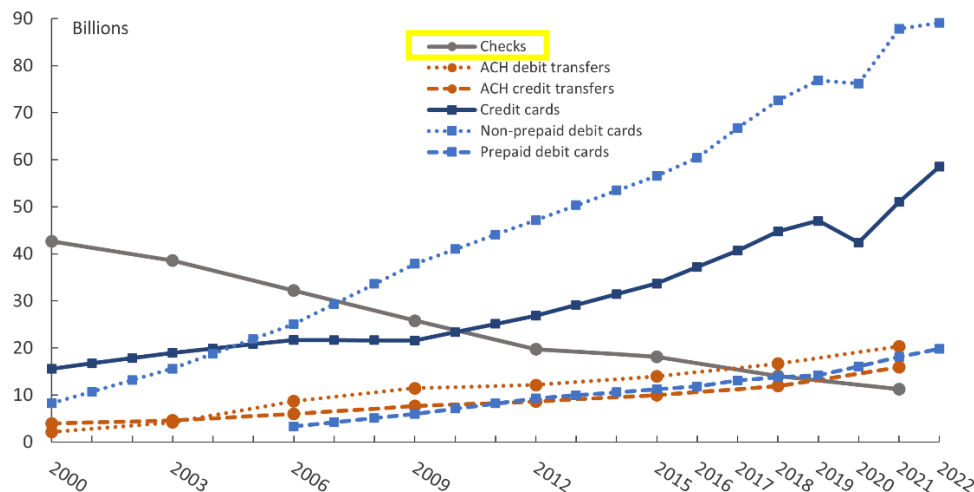
¹³ Modernizing Payments To and From America's Bank Account, *supra* note 3 at 14001-02.

¹⁴ Board of Governors of the Federal Reserve System, *supra* note 5.

¹⁵ *Id.*

Chart 2

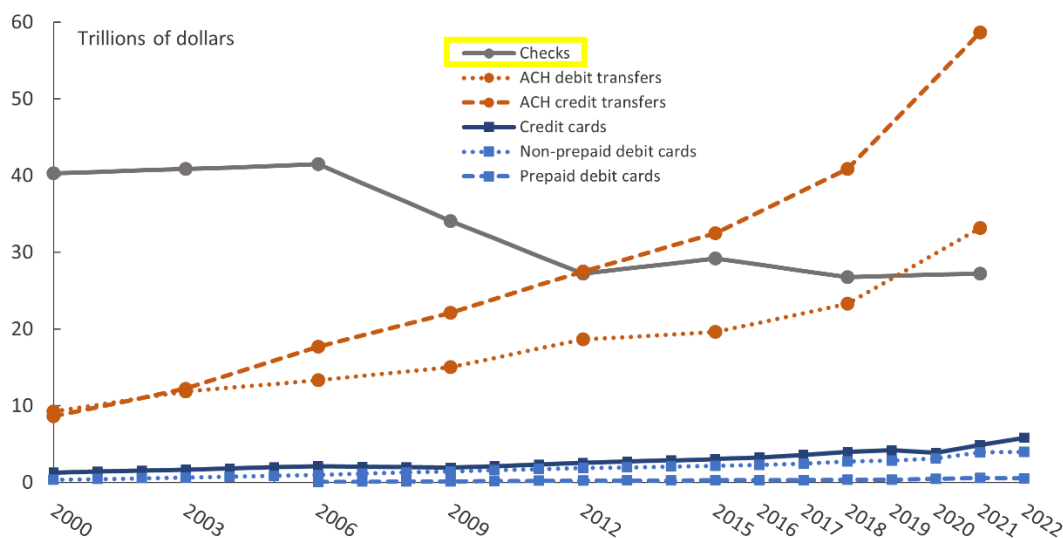
Trends in noncash payments, by number, 2000–22



Note: All estimates are on a triennial basis, except that card payments were estimated for every year since 2015. Credit card payments include general-purpose and private-label versions. Prepaid debit card payments include general-purpose, private-label, and electronic benefits transfer (EBT) versions. Estimates for prepaid debit card payments are not available for 2000 or 2003. The points mark years for which data were collected and estimates were produced. Lines connecting the points are linear interpolations.

Chart 3

Trends in noncash payments, by value, 2000–22



Note: All estimates are on a triennial basis, except that card payments were estimated for every year since 2015. Credit card payments include general-purpose and private-label versions. Prepaid debit card payments include general-purpose, private-label, and electronic benefits transfer (EBT) versions. Estimates for prepaid debit card payments are not available for 2000 or 2003. The points mark years for which data were collected and estimates were produced. Lines connecting the points are linear interpolations.

As detailed earlier in this letter, the Treasury has made noteworthy progress in the transition from paper checks to electronic methods for the majority of government payments. In Fiscal Year 2023, more than 96% of all Treasury-disbursed payments were made electronically.¹⁶

However, there are millions of Americans who do not have access to the banking system or are not able to receive payments electronically. The latest data from the Federal Deposit Insurance Corporation's National Survey of Unbanked and Underbanked Households showed that 4.2% of households, or 5.6 million families, in the U.S. are unbanked.¹⁷ The unbanked rates are much larger for certain families, including:

- Low-income families with less than \$15,000 annual income: 21.8% unbanked;
- Black, Hispanic, and American Indian or Alaska Native families: 10.6%, 9.5%, and 12.2% unbanked, respectively;
- No High School Diploma families: 19.7% unbanked; and
- Disabled families: 11.2% unbanked.¹⁸

Simply put, millions of Americans do not trust or feel comfortable using banks, so forcing them to convert to payment methods that require a bank account would be unfair, discriminatory, and wrong. There are countless examples of discrimination and fear of “banking while black.”¹⁹ Black customers report being racially profiled during routine visits to bank branches to open accounts or conduct other routine bank business. One of the worst examples of this unfair and abusive treatment is the case of Clarice Middleton, a 71-year-old woman who won money on a church outing. When she went to the bank to cash her check, the bank refused and would not even return the check to her until she protested:

Clarice Middleton *shook with fear* as she stood on the sidewalk outside a Wells Fargo branch in Atlanta one December morning in 2018. Moments earlier, she had tried to cash a \$200 check, only to be accused of fraud by three branch employees,

¹⁶ U.S. Department of the Treasury, *supra* note 8.

¹⁷ FEDERAL DEPOSIT INSURANCE CORPORATION, FDIC NATIONAL SURVEY OF UNBANKED AND UNDERBANKED HOUSEHOLDS 1 (2023), <https://www.fdic.gov/household-survey/2023-fdic-national-survey-unbanked-and-underbanked-households-report>.

¹⁸ *Id.* at 23.

¹⁹ See, e.g., Emily Flitter, ‘Banking While Black’: How Cashing a Check Can Be a Minefield, N.Y. TIMES (June 18, 2020), <https://www.nytimes.com/2020/06/18/business/banks-black-customers-racism.html>; Malia Lazu, ‘Banking While Black’ Still Happens, Even If You’re Famous, BANKER & TRADESMAN (Mar. 20, 2022); Eric Rasmussen, ‘Banking While Black’: Police Video Shows How Cashing a Paycheck Led to Handcuffs, KSTP-TV (Jan. 10, 2022), <https://kstp.com/kstp-news/top-news/banking-while-black-police-video-shows-how-cashing-a-paycheck-led-to-handcuffs/>.

who then called 911.

Ms. Middleton, who is black, remembers thinking: “I don’t want to die.”²⁰

Given how embarrassing and terrifying these interactions are, however unfair, it is only reasonable to believe that the vast majority of such cases are not reported or known. But we do know from the few media reports that they are likely much more common and almost certainly represent just the beginning of this problem of unbanked people in America.

In summary, there are pros and cons with each payment delivery method, and thus, potential challenges and opportunities with any change in how government funds are delivered to citizens. Debit cards and paper checks are the delivery methods most prone to fraud. Direct deposit and ACH are less prone to fraud but require a bank account to receive money, which is a barrier to unbanked individuals. Debit cards that are automatically loaded with funds offer convenience for some people, but could be a frightening or frustrating challenge for individuals who are uncomfortable with technology or unable to use a debit card for their everyday necessities. Paper checks can be converted to cash with relative ease at a bank. However, for unbanked individuals, cashing a paper check could bring added challenges and large fees if they turn to a check casher or retailer to extract the funds. In short, forcing individuals to transition to electronic payments is not in the public interest. It is even worse that this transition is expected to occur in a matter of a few short months, to meet the September 30, 2025, deadline.

SUMMARY OF THE RFI

This RFI seeks feedback related to the implementation of the Executive Order, including:

- Paper Check Usage for Government Collections and Disbursements,
- Public Awareness Campaign and Stakeholder Outreach,
- Preferred Electronic Funds Transfer Methods, and
- General Comments Related to the Executive Order.²¹

SUMMARY OF COMMENTS

We strongly support the U.S. Treasury’s continued work to transition payments away from paper checks to electronic payments, so that consumers and the government can realize the many benefits of electronic payment innovations. However, a forced transition in a matter of a few months with unclear information on what exceptions are allowed and how those exceptions can be utilized is a grave error that could result in some of the most financially vulnerable Americans being cut off from their only source of funds for daily necessities of life. We are also concerned that this Executive Order is the first step in a larger effort to force everyday Americans to use cryptocurrency for government payments.

²⁰ Flitter, *supra* note 19 (emphasis added).

²¹ Request for Information Related to the Executive Order, “Modernizing Payments To and From America’s Bank Account,” *supra* note 2 at 23108-09.

Our specific comments are as follows:

- Provide detailed criteria on what factors will be used to approve or deny requests for exceptions for individuals who do not have access to the banking system or do not want to receive electronic payments for other reasons. As explained earlier, there are millions of people without access to the banking system or with other reasons for needing to continue to use checks for payment. We are pleased that there is an opportunity for exceptions, but it is not clear what criteria and processes will be used to determine these exceptions.
- Extend the implementation date by at least one year after program details are made available to the public. The implementation date of September 30, 2025, is simply not appropriate or suitable for a change of this magnitude. We ask the Treasury to extend the implementation date by at least one year to allow for an appropriate public information campaign.
- Explore and implement methods to limit fraud related to debit card electronic payments. Debit cards are certainly a convenient way for electronic payments to be sent to Americans who receive government transfers, such as Social Security. However, the data on debit card fraud are concerning and indicate that more debit card payments may actually expose Americans to more fraud, not less. We ask that the Treasury work to thoroughly understand the factors that lead to debit card fraud and take specific action to minimize the incidence of this fraud if it decides to move check payments to debit cards.
- Reject any longer-term plans related to using cryptocurrency for government payments. If the Treasury is genuinely concerned about the risk of fraud, there are countless examples of fraud related to cryptocurrency. It is dangerous and wrong if this Executive Order is the first step in a broader change for all Americans to make or accept payments to and from the federal government using cryptocurrency.

COMMENTS

I. PROVIDE DETAILED CRITERIA ON WHAT FACTORS WILL BE USED TO APPROVE OR DENY REQUESTS FOR EXCEPTIONS FOR INDIVIDUALS WHO DO NOT HAVE ACCESS TO THE BANKING SYSTEM OR DO NOT WANT TO RECEIVE ELECTRONIC PAYMENTS FOR OTHER REASONS.

As detailed earlier in this letter, there are millions of families who do not have access to a bank or do not trust the banking system. Forcing these Americans, who are currently receiving paper checks from the government, to transition to other methods of payment may not be an easy or smooth process. Moreover, many may want to request an exception to continue receiving paper checks.

People in this group could include, for example, people of color who are not comfortable opening a bank account to receive a direct deposit payment, Americans living in rural areas without reliable internet service, families living on tribal land nowhere near a bank location, older Americans who are unable or uncomfortable with transitioning to electronic payments, and other unbanked individuals. These individuals are among the most financially vulnerable and absolutely rely on government payments for daily living needs.

We are pleased that the Treasury is considering a process by which exceptions can be requested and granted, but it is not clear what criteria and processes will be used to determine these exceptions. We recommend that the details of this exception criteria and process be further developed and shared with the public.

II. EXTEND THE IMPLEMENTATION DATE BY AT LEAST ONE YEAR AFTER PROGRAM DETAILS ARE MADE AVAILABLE TO THE PUBLIC.

The implementation date of September 30, 2025, is simply not appropriate or suitable for a change of this magnitude.

We are pleased that the Treasury is asking for input from the public on this program, although a 30-day comment period is already truncated compared to other RFIs that have 60-day or even 90-day periods in which the public can provide feedback. We ask the Treasury to extend the implementation date for at least one year after the program details are finalized. This schedule will better allow for an appropriate public information campaign. It will also give affected individuals time to explore electronic funds transfer options without worrying that the funds on which they rely for daily living will immediately be affected.

III. EXPLORE AND IMPLEMENT METHODS TO LIMIT FRAUD RELATED TO DEBIT CARD ELECTRONIC PAYMENTS.

We appreciate the Treasury's recognition of the problems that check fraud brings for everyday Americans, as well as the problems it causes for banks and the government. It is wise to consider payment options that are less exposed to fraud to protect the integrity of government payments. Of course, consideration of the risks should also be balanced with the potential benefits and convenience of debit cards for consumers who need to spend their government payments.

The Fed data on debit card fraud are concerning and indicate that more debit card payments may actually expose Americans to more fraud, not less.²² The Fed data show, however, that payments made through the automated clearinghouse (ACH) have a much smaller incidence of fraud than both checks and debit cards,²³ so using ACH could be a preferred solution. We ask that the Treasury work to thoroughly understand the factors that lead to debit card fraud and take specific action to minimize the incidence of this fraud if it decides to move check payments to debit cards.

²² The Federal Reserve Financial Services, *supra* note 12 at 4.

²³ *Id.* at 4-6.

IV. REJECT ANY LONGER-TERM PLANS RELATED TO USING CRYPTOCURRENCY FOR GOVERNMENT PAYMENTS.

If Treasury is genuinely concerned about the risk of fraud, there are countless examples of fraud related to cryptocurrency.²⁴ For example, the FBI's most recent data showed that nearly 150,000 consumers were victims of crypto fraud in 2024 alone, and lost \$9.3 billion in that year alone.²⁵ Crypto supporters claim that it is an innovative financial product that can be highly beneficial to those who have been shut out of, exploited by, or discriminated against by the traditional banking and financial systems.²⁶ This could not be further from the truth.

It is dangerous and wrong if this Executive Order is the precursor to a wholesale change for all Americans to make and accept payments to and from the federal government using cryptocurrency.

²⁴ See, e.g., Press Release, Better Markets, *Boom Times for Crypto Crime* (May 6, 2025), <https://bettermarkets.org/newsroom/boom-times-for-crypto-crime/>; FEDERAL BUREAU OF INVESTIGATION, INTERNET CRIME REPORT 35-40 (2024), https://www.ic3.gov/AnnualReport/Reports/2024_IC3Report.pdf; Cantrell Dumas & Dennis Kelleher, *Crypto's Predatory Targeting of Minority Communities*, Better Markets (Oct. 24, 2024), https://bettermarkets.org/wp-content/uploads/2024/10/Better_Markets_Fact_Sheet_Crypto_Impact_Minorities-10.24.24.pdf.

²⁵ Federal Bureau of Investigation, *supra* note 24 at 35.

²⁶ Dumas & Kelleher, *supra* note 24.

CONCLUSION

We hope these comments are helpful as the U.S. Treasury considers its plan to stop using paper checks for government payments.

Sincerely,



Shayna M. Olesiuk
Director of Banking Policy
solesiuk@bettermarkets.org

Better Markets, Inc.
2000 Pennsylvania Avenue, NW
Suite 4008
Washington, DC 20006
(202) 618-6464
<http://www.bettermarkets.org>