



**America's
Credit Unions**

Regulatory Comment: Request for Information Related to the Executive Order, “Modernizing Payments To and From America's Bank Account”

THE ISSUE:

The U.S. Department of the Treasury (Treasury) has issued a [Request for Information](#) (RFI) and invites public input to inform its implementation of the President's [Executive Order \(E.O.\) 14247](#) on “*Modernizing Payments To and From America's Bank Account*” issued on March 25, 2025, which directs the Secretary of the Treasury to cease issuing paper checks and transition to the use of electronic payments for all Federal disbursements where feasible. The E.O. directs Treasury, in coordination with other agencies, “to develop and implement a comprehensive public awareness campaign to inform Federal payment recipients of the transition to electronic payments, including guidance on assessing and setting up digital payment options.” The E.O. also directs Treasury to work with financial institutions, consumer groups, and other stakeholders to address financial access for unbanked and underbanked populations.

IMPACT TO CREDIT UNIONS:

Check fraud remains a persistent and serious fraud risk for credit unions. E.O. 14247 marks an important step forward in combating check fraud by acknowledging that using more secure electronic payments for disbursing funds can reduce the risk of financial institutions inadvertently paying fraudulent government checks. Moreover, E.O. 14247 could accelerate credit union investments in mobile banking, digital identity verification, real-time payments, and user-friendly account opening processes. Credit unions could very likely collaborate with Treasury, the U.S. Postal Service, or other community organizations to serve as designated onboarding hubs.

KEY POINTS:

- The President’s Executive Order requires the transition to electronic payments for all Federal disbursements and receipts by digitizing payments, with limited exceptions where electronic payment and collection methods are not feasible.

- Check fraud is becoming more common, with banks issuing about 680,000 reports of check fraud in 2022—nearly double the number of check fraud reports from 2021. Digital payments are more efficient, less costly, and less vulnerable to fraud.

ACTION NEEDED: Deadlines and contacts

Please use the comment link below to respond to America's Credit Unions' survey. This will help shape the discussion and better address your needs in our comment letters.

- Comments due to America's Credit Unions: June 25, 2025 — [Submit here](#).
- Comments due to the Treasury: June 30, 2025
- Questions? Contact [John Vatian](#), Regulatory Advocacy Counsel, America's Credit Unions
- Agency contact: Tyler Curtis, Director, Office of Consumer Policy, (202)-717-3754, christopher.curtis2@treasury.gov; Nora Esposito, Senior Advisor, Office of Consumer Policy, (202)-604-9307, nora.esposito@treasury.gov.

QUESTIONS TO CONSIDER:

1. How frequent do your credit union members use paper checks to make or receive payments to the Federal Government? How have reclamations of improperly paid government checks impacted your credit union?
2. What barriers exist for your credit union transitioning to electronic funds transfer (EFT) options? For example, would your credit union be able to identify members who have deposited Treasury checks and alert them to the benefits of receiving future government payments via direct deposit?
3. What are the best communication channels for the Federal Government to gather information from individuals who currently rely on paper checks? Are there resources your credit union utilizes that Treasury would find valuable?

4. What are some potential risks or considerations related to offering certain EFT methods that Treasury should be aware of?
5. How can the government prevent fraud and make payments securely using these EFT options? For example, if the government were to consider modernizing Regulation CC or the Expedited Funds Availability by extending the length of holds applicable to Treasury checks, how would that affect your credit union? When should funds deposited by Treasury check be made available to mitigate the risk of fraud?

BACKGROUND:

The President's Executive Order on “*Modernizing Payments To and From America's Bank Account*” issued on March 25, 2025, requires the transition to electronic payments for all Federal disbursements and receipts by digitizing payments to the extent permissible under applicable law. The policy's goals are to defend against financial fraud and improper payments, increase efficiency, reduce costs, and enhance the security of Federal payments. Effective September 30, 2025, the Federal Government will cease issuing paper checks for all Federal disbursements inclusive of intragovernmental payments, benefits payments, vendor payments, and tax refunds, except as specified in the E.O. Limited exceptions include:

- (i) individuals who do not have access to banking services or electronic payment systems;
- (ii) certain emergency payments where electronic disbursement would cause undue hardship, as contemplated in 31 C.F.R. Part 208;
- (iii) national security- or law enforcement-related activities where non-EFT transactions are necessary or desirable; and
- (iv) other circumstances as determined by the Secretary of the Treasury, as reflected in regulations or other guidance.

EFFECTIVE DATE

After gathering public comments, Treasury will move forward with the required transition to electronic payments for all Federal disbursements and receipts starting September 30, 2025. America's Credit Unions welcomes input and feedback on this RFI.

ADDITIONAL QUESTIONS:

A. Paper Check Usage for Government Collection and Disbursements

1. 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?
2. What barriers exist for transitioning individuals and organizations to electronic funds transfer (EFT) options?
 - a. Are there particular barriers preventing unbanked and underserved individuals from adopting EFT options?
 - b. Are there particular barriers preventing individuals who own bank accounts or small businesses from adopting EFT options?
 - c. Are there cases where Federal agencies do not currently provide EFT options or where information regarding EFT options is not readily available?
 - d. What alternatives to EFT payments should Federal agencies consider in the limited cases where electronic methods are not feasible?
2. 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?
 - a. Why do you think that these campaigns were successful?
 - b. What strategies would you recommend to Treasury?

B. Public Awareness Campaign and Stakeholder Outreach

The E.O. requires Treasury, in coordination with other federal agencies, to develop and implement a comprehensive public awareness campaign to inform Federal payment recipients of the transition to electronic payments, including guidance on accessing and setting up digital payment options.

1. 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?
2. 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?
3. What are the best communication channels for the Federal Government to gather information from individuals who currently rely on paper checks?
4. How should Federal agencies inform the public about different EFT payment options when they choose how to make government payments?

C. Preferred EFT Methods

The E.O. discusses transitioning government payments to EFT methods, including direct deposit, debit and credit card payments, prepaid card accounts (such as Direct Express), digital wallets and real-time payment systems, and other digital payment options.

1. 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?
2. What EFT options, including those listed in the E.O., do you think the Federal Government should offer for incoming and outgoing payments, and why?
 - a. What are some potential risks or considerations related to offering certain EFT methods that Treasury should be aware of?

- b. Are there administrative, regulatory, or statutory barriers related to offering certain types of EFT methods?
 - c. How can the government prevent fraud and make payments securely using these EFT options?
- 3. What types of organizations or partnerships could be leveraged to provide access to EFT payments for individuals or businesses that do not have bank accounts?
 - 4. Are there additional financial products or services available to facilitate EFT methods of payment not listed in the E.O. that the public should be aware of?

D. General Comments Related to the E.O. “Modernizing Payments To and From America’s Bank Account”

- 1. Are there any other issues related to the implementation of this E.O. that you would like to raise?