



MEMORANDUM

To: Reporters and Editors
From: Carol Guthrie
Re: Bank freezing of Social Security, SSI, and Veterans' benefits

Today, leading Senators expressed strong and continuing concern over widespread freezing of Americans' Social Security, SSI, and Veterans' benefits by U.S. banks in order to garnish the funds and satisfy account holders' creditors. In a letter to Office of Management and Budget Director Jim Nussle, Finance Chairman Max Baucus (D-Mont.) and colleagues called on the OMB to conduct a multi-agency process aimed at ending these practices. The text of the letter is below.

“Banks should not be freezing federal benefits and garnishing them to settle debts,” said Baucus. **“To me, the law is clear. But action from the Office of Management and Budget and other agencies can help to stop these practices once and for all, by letting banks know what their obligations are to account holders and to creditors alike. I hope the OMB director will understand just how important this issue is to leaders in the Senate and to millions of vulnerable Americans.”**

The Senate Finance Committee held a hearing on the topic of Social Security and SSI benefit freezing and garnishment on September 20. Information on that hearing can be found at the following URL:

<http://finance.senate.gov/hearings/hearing/?id=ddc4ade0-eddd-ea0e-d2c7-c464d959cf5b>
(hearing statements and archived webcast)

###