

US Department of the Treasury
Via Electronic Submission

Re: Notice of Request for Comment – Docket ID TREAS-DO-2025-0004-0001

June 30, 2025

Dear Secretary Scott Bessent,

The City of New York (the “City”) appreciates the opportunity to respond to the Treasury Department’s Request for Comment (“RFC”) related to the Executive Order 14247, “Modernizing Payments To and From America’s Bank Account” (TREAS-DO-2025-0004-0001), which, in relevant part, 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. As New York City’s consumer protection agency, the Department of Consumer and Worker Protection (“DCWP”) shares the Treasury Department’s goals to defend against financial fraud and improper payments, increase efficiency, reduce costs, and enhance the security of federal payments.

DCWP’s mission is to protect and enhance the daily economic lives of New Yorkers to create thriving communities. DCWP empowers consumers and working families by providing the tools and resources they need to be educated consumers and to achieve financial health. DCWP seeks to realize this vision by educating, empowering, and protecting the City’s residents and neighborhoods with low incomes so that they can build assets and make the most of their financial resources.

While DCWP supports increasing efficiency and reducing costs, DCWP notes that there are still a significant number of individuals in this country who conduct their financial lives outside of the digital and electronic world for a variety of reasons. DCWP urges the Treasury Department to consider the following information to create a coordinated rollout that addresses these individuals’ needs and challenges before significantly altering access to the funds that they may depend on and potentially interfering with their abilities to pay money to the federal government with ease as well.

A. Paper Check Usage for Government Collections and Disbursements

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

One of the primary barriers to transitioning to electronic funds transfer (EFT) methods is that a significant portion of the population lacks access to safe and affordable bank accounts. In New York City (“NYC”), nearly 10% of households have no bank account,



according to DCWP research.¹ Without a bank account in which to electronically deposit money, individuals rely on paper checks and alternative financial service providers to receive payments and disbursements like Social Security benefits or federal tax refunds.²

The digital divide also plays a role in the persistent unbanked rates, as lack of internet access may prevent households from opening a bank account and using online banking. DCWP research shows that residents who live in NYC neighborhoods with the highest unbanked rates are less likely to have access to the internet.³

Further, as recent work done by the Consumer Financial Protection Bureau (“CFPB”) confirms, many banks have high and sometimes unexpected fees associated with their retail bank accounts.⁴ Overdraft fees, account maintenance, or minimum balance fees can be expensive for individuals to maintain or face unexpectedly. According to a recent Federal Reserve report, unbanked rates are higher among lower-income adults: Nearly a quarter of people with an income below \$25,000 were unbanked, compared to 8% of people with an income between \$25,000 and \$49,999, 2% of people with an income between \$50,000 and \$99,999, and 1% of people with an income over \$100,000.⁵

B. Public Awareness Campaign and Stakeholder Outreach

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?

A public awareness campaign should include outreach conducted by trusted community members, who can be influential messengers and assist people with the process of transitioning from using paper checks to EFT options. In neighborhoods with a high distribution of unbanked households, this could include community-based organizations or other community leaders. The campaign should also inform people about any potential scams related to electronic and digital funds transfers. Finally, outreach materials and communications should be clear and accessible, available in languages commonly spoken in these communities, and use plain language writing principles.

C. Preferred EFT Methods

2a. What are some potential risks or considerations related to offering certain EFT methods that Treasury should be aware of?

There are various risks associated with the use of EFTs, including the availability of digital accounts that are not Federal Deposit Insurance Corporation (FDIC) insured, the proliferation of digital scams, and financial and

¹ New York City Department of Consumer and Worker Protection. “Where Are the Unbanked in NYC? Updated Findings (2021 Data),” 2024. Accessed June 11, 2025. <https://www.nyc.gov/assets/dca/downloads/pdf/partners/Research-UnbankedNYC-2021Data.pdf>.

² Federal Deposit Insurance Corporation. “2021 FDIC National Survey of Unbanked and Underbanked Households.” Accessed June 11, 2025. <https://www.fdic.gov/analysis/household-survey/2021execsum.pdf>.

³ New York City Department of Consumer and Worker Protection. “Where Are the Unbanked in NYC? Updated Findings (2021 Data),” 2024. Accessed June 11, 2025. <https://www.nyc.gov/assets/dca/downloads/pdf/partners/Research-UnbankedNYC-2021Data.pdf>.

⁴ The Consumer Financial Protection Bureau. “Overdraft Lending: Very Large Financial Institutions” rule published in the Federal Register [Docket No. CFPB-2-24-0002]. Accessed June 11, 2025. <https://www.federalregister.gov/documents/2024/12/30/2024-29699/overdraft-lending-very-large-financial-institutions>

⁵ Board of Governors, The Federal Reserve System. “Economic Well-Being of U.S. Households in 2023.” Accessed June 11, 2025. <https://www.federalreserve.gov/publications/files/2023-report-economic-well-being-us-households-202405.pdf>



digital literacy limitations. While non-bank fintech products like peer-to-peer payment systems offer convenient EFT options, DCWP notes that these products generally do not provide FDIC insurance. This leaves consumers' federal payments and disbursements deposited in nonbank fintech products at greater risk when compared to deposits to FDIC-insured bank accounts.

Additionally, transitioning to EFT payments may put consumers at greater risk of becoming victims of digital financial scams. According to data from the Federal Trade Commission, in 2024, consumers reported losing more money to scams where they paid with bank transfers or cryptocurrency than all other payment methods combined.⁶ Restricting payments to digital or electronic methods further incentivizes consumers to rely solely upon these means of banking, putting them at greater risk of falling prey to these scams. Finally, consumers with limited digital or financial literacy may not benefit from or be able to adapt to online banking, reducing the value of the transition to EFTs. Outcomes could be improved through financial education and widespread broadband access, so consumers understand bank account terms and conditions and can access their accounts regularly without interruptions.

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?

Ongoing national and local programs encouraging banking access can be leveraged to support access to EFT payment for individuals who do not have bank accounts. For example, Bank On coalitions are locally led partnerships between governments, financial institutions, and community organizations that work together to increase access to safe and affordable banking products and improve the financial stability in their communities. Other programs operated by local governments and community-based organizations can help individuals transition to EFT payments. As an example, New York City's Financial Empowerment Center counselors help unbanked individuals understand the benefits of transitioning to EFTs and take the steps needed to open a safe and affordable bank account. Other programs like the IRS's Volunteer Income Tax Assistance ("VITA"), operated in the City by NYC Free Tax Prep, can play an important role in helping federal tax filers without bank accounts transition to EFTs and directly deposit their federal tax refunds into FDIC-insured bank accounts.

Conclusion

The City offers the above information to reinforce its belief that a financially healthy country must prioritize the participation of all. The proposed Executive Order has the opportunity to bring more individuals into today's digital economy and fulfill the important goals of payment security and resource efficiency. By working closely with cities and partners across the country, and ensuring that any transition happens slowly and intentionally, the Treasury can fulfill the Executive Order in a manner that invites new opportunities to build wealth rather than reinforce barriers that keep individuals out.

Respectfully,

A handwritten signature in black ink, appearing to read "Vilda Vera Mayuga".

Vilda Vera Mayuga
Commissioner, New York City Department of Consumer and Worker Protection

⁶ Federal Trade Commission. "New FTC Data Show a Big Jump in Reported Losses to Fraud to \$12.5 Billion in 2024." March 10, 2025. Accessed June 11, 2025. <https://www.ftc.gov/news-events/news/press-releases/2025/03/new-ftc-data-show-big-jump-reported-losses-fraud-125-billion-2024>.