

Office of the Illinois Attorney General  
100 West Randolph Street  
Chicago, IL 60601

*April 21, 2020*

Attorney General Raoul:

The Collaboration for Justice of Chicago Appleseed and the Chicago Council of Lawyers works to promote equity and full access to justice for all in our courts and regulatory systems. We promote systemic reforms, which recognize the intersection of social justice, economic justice, and court systems. Our courts are deeply connected to cycles of debt within the U.S., and understanding how the courts and government intersect to create, collect, and manage debt is critical to creating equity. Our work to combat inequities in the levying of court fines and fees and the management of arrearages leads us to concerns that CARES Act (“Act”) emergency monetary relief will be intercepted by garnishment by creditors for debt relief.

Thank you for joining the bipartisan coalition of state Attorneys General calling upon the U.S. Department of the Treasury to designate CARES Act emergency relief funds exempt from garnishment by creditors. Although the CARES Act protects these emergency relief funds from debt collection by federal and state governments, the Act does not address private creditors’ seizure of the funds from bank accounts to satisfy outstanding court judgments. With courts closed to most businesses, persons affected by garnishment may not have an opportunity to raise their own consumer protection rights nor argue that the CARES Act funds are exempt as public benefits. Families in critical need of money for food, rent, and medical care must not be denied CARES Act relief without recourse.

As we await response from the U.S. Department of the Treasury, we urge state authorities to act to protect the payments to these families. Specifically, the Office of the Attorney General should issue an emergency regulation declaring that attaching these CARES Act funds is an unfair business practice under the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1, *et seq.* The Act is comprehensive legislation designed to protect consumers, and we believe it grants your office the authority to issue this emergency regulation. See 815 ILCS





505/(granting the Attorney General authority to “promulgate such rules and regulations as may be necessary. . . [to] accomplish the objectives and to carry out the duties prescribed by [the Act]”).

We believe it was a likely oversight by Congress in quickly passing the law that the CARES Act does not explicitly designate its emergency payments as exempt from garnishment. Oversight in drafting the CARES Act may allow judgment creditors to seize payments under the Act at a time when recipients do not have access to the courts to argue that, as public benefits, the payments may not be seized to satisfy these consumer debts. A regulation declaring the payments exempt is necessary to preserve the right to assert the argument that the money may not be seized during a time that courts are not available for most business.

The CARES Act payments are a critical resource at a time when 1-in-12 workers in Illinois have filed a claim for unemployment. The Illinois Office of the Attorney General has a strong mandate to protect residents from unfair practices, including those in debt collection. The seizure of stimulus payments—clearly intended as public benefits—for the satisfaction of private debts is an unfair practice that must be stopped until appropriate Federal guidance is issued. Thank you for your consideration.

Sincerely,

**Malcolm Rich**, Executive Director  
Chicago Appleseed Fund for Justice & Chicago Council of Lawyers

**David Baltmanis**, Board President  
Chicago Council of Lawyers