



PRESS RELEASE

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Preservation of Unemployment Benefits and Government Assistance Payments from Use for Loan Payments

The Central Bank has taken note of public concerns that unemployment benefits and equivalent government assistance payments for COVID19 relief, might involuntarily be applied to loan payments when sent directly to deposit accounts. Moreover, the Bank is aware that recipients might be electing less efficient payment options to avert this suspected practice.

The Central Bank does not endorse the involuntary redirection of unemployment benefits or other government funded assistance payments. Given the volume of such payments and public health safety concerns around processes by which these are being converted to cash, avoidance of direct deposits is not in the interest of the orderly functioning of the domestic payments system nor the domestic banking system.

The Central Bank has therefore requested that commercial banks and credit unions maintain adequate systems to preserve COVID19 income replacement proceeds for their intended social safety net use. Financial institutions have also been requested to communicate with their clients, through accessible public channels, on the processes that have been established for recipients to recover proceeds that were involuntarily applied to other purposes.

Recipients of unemployment benefits and assistance are urged to have payments sent directly to their deposit accounts, and to request correct guidance from their financial institutions on how to specify their account numbers.

17 August, 2020