



**MARYLAND COMMISSIONER OF
FINANCIAL REGULATION
INDUSTRY ADVISORY**



APRIL 30, 2020

CARES ACT RELIEF PAYMENTS: COVID-19 PANDEMIC GUIDANCE
Guidance for Non-Depository Financial Services Providers

On March 21, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Pursuant to Section 2201 of the CARES Act, the U.S. Treasury has started sending and will send, over the course of the coming weeks, certain pandemic relief payments (the “Relief Payments”) to Maryland taxpayers. The Relief Payments will take the form of direct deposits to taxpayers’ accounts and by means of physical checks from the U.S. Treasury that are mailed to taxpayers. The Relief Payments are intended to provide Maryland taxpayers with assistance, in the way of direct cash payments, in meeting their immediate expenses for items such as food and health care items and services.

On April 29, 2020 Governor Hogan issued Executive Order 20-04-29-03 entitled “Prohibiting Garnishment of CARES Act Recovery Rebates” (the “Governor’s Order”). The Governor’s Order can be found [here](#).

In light of the Governor’s Order, all business entities licensed by the Commissioner of Financial Regulation (“Commissioner”) shall conform to the dictates therein and cease any and all garnishment and/or set-off activity on said Relief Payments, whether directly or through an authorized agent. To the extent a licensed business entity inadvertently receives the proceeds of the Relief Payments, they should endeavor to rectify this mistake in order to permit those funds to be used by Maryland taxpayers for the intended purposes. Should it be determined that a licensed entity willfully or negligently violates the dictates of the Governor’s Order, such entity may be subject to regulatory action to the fullest extent of the law.

Additionally, be aware that Maryland’s Attorney General is advising that any entity or individual seeking to engage in collection efforts against CARES Act Relief Payments in violation of the Executive Order would be doing so in violation of Maryland’s Debt Collection Practices Act, Md. Code Ann, Com. Law §§ 14-201, *et seq.* and Consumer Protection Act, Md. Code Ann., Com. Law §§ 13-101, *et seq.*, and be subject to enforcement action and associated penalties as provided in those statutes.

Please visit our website at labor.maryland.gov/finance for additional COVID-19 related resources.



Office of the Commissioner of Financial Regulation
Maryland Department of Labor