

House Resolution 1107

By: Representatives Bennett of the 94th, Jones of the 53rd, Fludd of the 64th, Randall of the 142nd, Waites of the 60th, and others

A RESOLUTION

1 Encouraging the use of electronic payments by the government for payments to citizens; and
2 for other purposes.

3 WHEREAS, the House of Representatives recognizes that there are a number of the
4 population that are disproportionately represented among the one in four Americans who are
5 unbanked or have limited access to financial services; and

6 WHEREAS, electronic payments provide an opportunity for governments seeking efficiency
7 to replace the paper-check system for making payments to constituents (Social Security, food
8 assistance, tax refunds, etc.) with a significantly less expensive, safer, and more useful
9 system; and

10 WHEREAS, the option to receive direct deposits could open an avenue to banking, to which
11 millions might not otherwise have access; and

12 WHEREAS, prepaid debit cards can provide an efficient mechanism by which governments
13 can make electronic payments to unbanked individuals who cannot receive a direct deposit;
14 and

15 WHEREAS, direct deposits and prepaid debit cards can provide a safe, simple way for the
16 community to gain greater financial control and can act as a tool for better financial
17 management, offering equal access to the benefits arising from the efficiency, convenience,
18 and security of the electronic payment system; and

19 WHEREAS, a government-issued prepaid debit card, affiliated with a payment network, can
20 bring significant advantages to unbanked users, including saving the cost and time invested
21 in cashing a check; ensuring payments are received on time, every time; protecting payments
22 against the risk of loss or theft of cash; and allowing electronic payments to be made at the
23 point-of-sale, over the telephone, or online; and

24 WHEREAS, a government-issued prepaid debit card can be of special value in the event of
25 a natural disaster, allowing governments to rapidly place funds in the hands of victims and
26 relief workers for use in ATM machines and at the point-of-sale to immediately purchase
27 food, water, and other essentials.

28 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES that
29 the members of this body encourage legislators to take steps in their own states to fully
30 replace the antiquated paper-check system for government payments with an electronic and
31 fully transparent payment system that incorporates direct deposits and prepaid debit cards.

32 BE IT FURTHER RESOLVED that the House of Representatives believes a benefits
33 payment system should offer the option of electronic methods, yet still allow recipients to
34 obtain a paper check if they prefer.

35 BE IT FURTHER RESOLVED that the House of Representatives affirms that recipients
36 should have the opportunity to use direct deposit or prepaid debit cards as long as such debit
37 cards do not impose penalties or fees for transactions, monthly operating costs, excessive
38 ATM fees, and other such fees that would otherwise reduce the benefits to the recipient.

39 BE IT FURTHER RESOLVED that the House of Representatives applauds the United States
40 Treasury for its Direct Express prepaid debit card, which is expected to save taxpayers and
41 the Social Security system more than \$1 billion over ten years and reports 95 percent of
42 recipients are satisfied or very satisfied with the electronic benefits payment system.

43 BE IT FURTHER RESOLVED that the Clerk of the House of Representatives is authorized
44 and directed to transmit an appropriate copy of this resolution to the President of the United
45 States, the Vice President of the United States, members of the United States House of
46 Representatives and United States Senate, and other federal and state government officials
47 as appropriate.