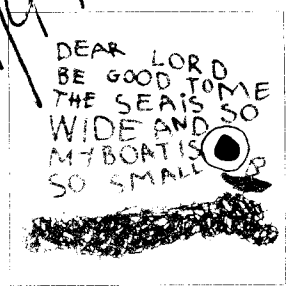



Children's Defense Fund

December 16, 1997

Ms. Cynthia L. Johnson
Director,
Cash Management Policy and Planning Division
Financial Management Service
U.S. Department of the Treasury
Room 420
401 14th Street, SW
Washington, DC 20227

Dear Ms. Johnson:

This letter provides comments about the Department of the Treasury's proposed rule concerning the new requirement under Section 31001(x) of the Debt Collection Improvement Act of 1996 that federal agencies make federal payments through electronic funds transfer (EFT).

The Children's Defense Fund favors the provision in the proposed rule that waivers of the electronic funds transfer requirement be approved upon self-certification. We are concerned, however, that the grounds for waiving the requirement because of hardship are much too narrow, limited under the proposed rule only to physical disability and geographic barriers for those who have an account in a financial institution, and adding financial hardship when the individual does not have such an account. Mental disability, limited literacy, or language barriers should also be grounds for waiving the EFT requirement. The law provides waivers for hardship, and the legislative history does mention mental disability, educational disability, and language barriers. We do not see a convincing distinction between physical and mental disability, for example, that would justify including one and excluding the other. The Department's discussion of the proposed rule gives the example of a person with physical disabilities having an arrangement with a local store to cash his or her check, and that having to go elsewhere would pose a hardship. Such a situation might similarly exist for a person with mental disabilities, and it would be unwise to jeopardize that successful arrangement in either case. Language barriers and limited literacy are also reasonable grounds for waivers. The inclusion of one second language in an ATM machine does not help an individual who does not speak that language or English. Waivers should expressly provide for the small minority who would face great difficulty in using EFT equipment. We note that most

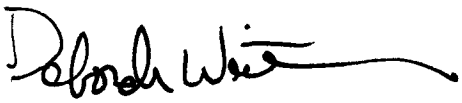
EFT #155

25 E Street NW
Washington, DC 20001
Telephone 202 628 8787
Fax 202 662 3510
E-mail
cdfinfo@childrensdefense.org
Internet
www.childrensdefense.org

people with accounts have used EFT without difficulty, and in many cases to advantage. It seems likely that this will continue to be the case, and that the number of waivers will be quite manageable even with the inclusion of mental disability, limited literacy, and language barriers as allowed categories.

Children receiving SSI or Social Security survivors' benefits may live in families where there are language or literacy barriers, or with parent/caretakers with mental disabilities not serious enough to require a representative payee. Waivers in these categories avoid the risk of interrupting the income they need to survive.

Sincerely yours,



Deborah Weinstein
Director,
Family Income Division