



FEDERAL RESERVE BANK *of* KANSAS CITY

November 8, 2013

**Interagency Examination Procedures for Garnishment of Accounts Containing Federal Benefit Payments Rule**

**To the Chief Executive Officer of Each Tenth District State Member Bank, Bank Holding Company, and Savings and Loan Holding Company:**

On October 30, 2013, the Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council approved interagency examination procedures implementing the Garnishment of Accounts Containing Federal Benefit Payments Rule (Rule). The Department of the Treasury, the Social Security Administration, the Department of Veteran Affairs, the Railroad Retirement Board, and the Office of Personnel Management issued the Rule to implement statutory restrictions on garnishing certain exempt federal benefit payments earlier this year. The Rule, 31 CFR Part 212, established procedures that a financial institution must follow when receiving a garnishment order against an account holder that receives certain federal benefit payments by direct deposit. The types of Federal benefit payments covered by the interagency regulation are:

- Social Security benefits;
- Supplemental Security Income benefits;
- Veterans benefits;
- Federal Railroad retirement, unemployment and sickness benefits;
- Civil Service Retirement System benefits; and
- Federal Employee Retirement System benefits.

The examination procedures provide guidance that examiners will utilize when evaluating an institution's compliance with the Rule.

A copy of the examination procedures is available on the Federal Reserve Board of Governors' web site at <http://www.federalreserve.gov/bankinforeg/caletters/caltr1316.htm>. Please direct any questions concerning the guidance to the Consumer Affairs Department of the Federal Reserve Bank of Kansas City at (800) 333-1010, extension 8812488, or via email at [linda.painter@kc.frb.org](mailto:linda.painter@kc.frb.org).

Sincerely,

Michael R. Steckline  
Assistant Vice President



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

SANDRA F. BRAUNSTEIN  
DIRECTOR  
DIVISION OF CONSUMER  
AND COMMUNITY AFFAIRS

CA 13-16

October 30, 2013

**TO THE OFFICERS AND MANAGERS IN CHARGE OF CONSUMER AFFAIRS  
SECTIONS:**

**SUBJECT: Interagency Examination Procedures for Garnishment of Accounts  
Containing Federal Benefit Payments Rule**

**Applicability to Community Banking Organizations:** This guidance applies to all state member banks, including those with \$10 billion or less in consolidated assets.

The Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council has approved the attached interagency examination procedures for the Garnishment of Accounts Containing Federal Benefit Payments Rule (Garnishment Rule). Earlier this year, the Department of the Treasury, the Social Security Administration, the Department of Veteran Affairs, the Railroad Retirement Board, and the Office of Personnel Management issued the Garnishment Rule to implement statutory restrictions on garnishment of certain exempt federal benefit payments. The rule, 31 CFR Part 212, establishes procedures that a financial institution must follow when it receives a garnishment order against an account holder who receives certain Federal benefit payments by direct deposit. The attached examination procedures provide a narrative discussion of the Garnishment Rule and procedures for examiners to follow in evaluating an institution's compliance with the rule.

If you have any questions, please contact Lanette Meister, Senior Supervisory Consumer Financial Services Analyst, at (202) 452-2705.

Sincerely,

A handwritten signature in cursive script, reading "Sandra F. Braunstein".

Attachment: Examination Procedures for Garnishment of Accounts Containing Federal Benefit Payments Rule