

Congress of the United States
Washington, DC 20515

October 9, 2025

VIA ELECTRONIC DELIVERY

Acting Chairman Travis Hill
FDIC Board of Directors
1776 F Street, NW
Washington, DC 20006

Comptroller Jonathan Gould
Comptroller of the Currency
400 7th Street, NW
Washington, DC 20219

Acting Director Russell Vought
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Vice Chair Michelle Bowman
Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Chairman Kyle Hauptman
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Chair Tony Salazar
Conference of State Bank Supervisors
1300 I Street, NW
Washington, DC 20005

Dear Acting Chairman Hill, Vice Chair Bowman, Comptroller Gould, Chairman Hauptman, Acting Director Vought, and Chair Salazar:

As Americans across the country face the consequences of a government shutdown, we write to you to address concerns about how this may impact our nation's government employees, and how this can be addressed through your oversight. While federal law mandates that federal employees and the military receive back pay when the government reopens, the lapse in pay creates serious challenges for families. We hope that you will encourage and support banks and credit unions in efforts to provide flexible financial arrangements for their customers who endure temporary financial hardship due to a government shutdown beyond their control.

This government shutdown will cause pay interruptions for millions of federal employees, servicemembers, and federal contractors.^[1] Unexpected income shocks are a key driver of penalty fees, such as credit card late fees, overdraft fees, and minimum balance fees. Customers facing a temporary income shock could easily fall below the standard minimum balance required to uphold the terms of free checking accounts, triggering account maintenance and penalty fees.

¹ Federal News Network: Here's how many feds would stay on the job – both with and without pay – during an upcoming shutdown. September 26, 2013. <https://federalnewsnetwork.com/government-shutdown/2023/09/heres-how-many-feds-would-stay-on-the-job-both-with-and-without-pay-during-an-upcoming-shutdown/>

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Unexpected fees further strain government employees and servicemembers already struggling to cope with not being paid through no fault of these employees. Expenses continue even as income is halted, forcing even the most financially responsible federal employees and servicemembers to use savings to cover short-term expenses. Federal employees and servicemembers may be forced to utilize credit to make ends meet, adding to the concerning high level of consumer credit card debt held nationwide. The monthly cost of holding credit card balances has increased as Annual Percentage Rates (APRs) have risen in tandem with the Federal Funds Rate, causing the overall cost of credit to rise significantly for those who use it. This will compound the harm that Americans are feeling right now from rising inflation fueled by tariffs, a declining labor market, and the possibility of healthcare becoming increasingly unaffordable – efforts that we are fighting for in our work to fund the government.

We urge you to issue updated guidance encouraging your regulated institutions to work with individuals and small businesses impacted by the government shutdown. We hope that financial institutions will recognize the temporary hardship caused by unexpected gaps in pay and respond by taking steps to prevent adverse information from being reported in a manner that harms consumers affected by a shutdown. Institutions can proactively work with customers to provide modified credit arrangements in order to prevent derogatory information from being reported to consumer reporting agencies. We ask that you work with, and encourage, your regulated institutions to provide flexible alternatives to financial arrangements that put their customers in a compromising financial position, recognizing that this is temporary and not reflective of the customer's true risk profile. Institutions that work with their customers to provide flexible financing arrangements and place loans in forbearance need reassurance that these actions will be taken into consideration in supervisory practices. We ask that you consider encouraging banks and credit unions to temporarily waive minimum balance, overdraft fees, and late fees for any individual or small business impacted by the shutdown.

These actions would mirror steps financial regulators made in past shutdowns.^[2] However, since the last shutdown in 2019, the financial system has faced increased stress due to interest rate risk, and the bank failures in 2023 have highlighted a stronger need for focused, concerted balance sheet management. As institutions may be reluctant to take proactive steps to assist customers, it is critical that joint guidance be issued to reduce uncertainty and empower institutions to provide flexibility to federal employees and servicemembers while mitigating any clear risk factors.

The economic cost of a shutdown is not isolated to just workers in the District of Columbia and surrounding regions. Data from the Census Bureau and the Office of Personnel Management demonstrates that federal workers reside in every Congressional District in America, meaning that local economies across the country will be harmed by federal worker furloughs.^[3]

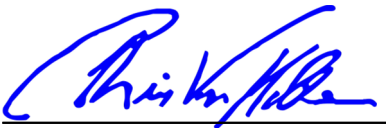
² Regulators Encourage Institutions to Work with Borrowers Affected by Government Shutdown
Joint press release with: Board of Governors of the Federal Reserve System, Conference of State Bank Supervisors, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, Office of the Comptroller of the Currency. January 11, 2019. <https://www.consumerfinance.gov/about-us/newsroom/regulators-encourage-institutions-work-borrowers-affected-government-shutdown/>

³ Congressional Research Service. Current Federal Civilian Employment by State and Congressional District. September 22, 2023. <https://crsreports.congress.gov/product/pdf/R/R47716>

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We will make every effort to reopen the government quickly. In the meantime, we urge you to work with financial institutions to reduce burdens on federal employees and servicemembers who experience a lapse in pay through no fault of their own.

Sincerely,



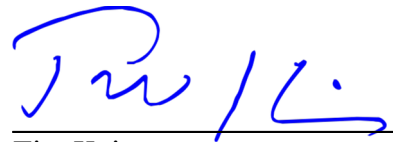
Chris Van Hollen
United States Senator



Angela D. Alsobrooks
United States Senator



Mark R. Warner
United States Senator



Tim Kaine
United States Senator



Sheldon Whitehouse
United States Senator



Raphael Warnock
United States Senator



Cory A. Booker
United States Senator



Bernard Sanders
United States Senator

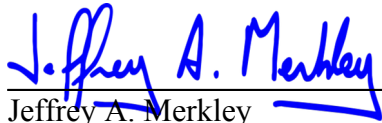
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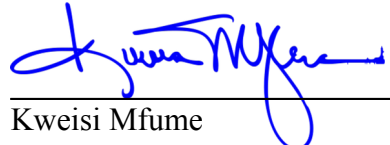
Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs



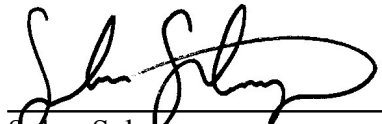
Kirsten Gillibrand
United States Senator



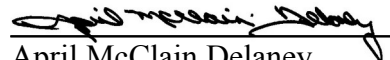
Jeffrey A. Merkley
United States Senator



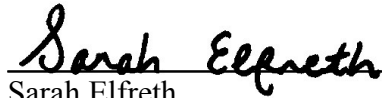
Kweisi Mfume
Member of Congress



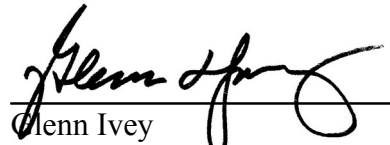
Suhas Subramanyam
Member of Congress



April McClain Delaney
Member of Congress



Sarah Elfreth
Member of Congress



Glenn Ivey
Member of Congress



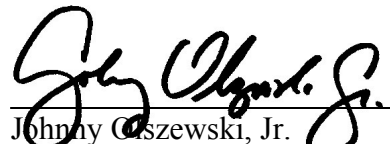
Eleanor Holmes Norton
Member of Congress



Donald S. Beyer Jr.
Member of Congress



James R. Walkinshaw
Member of Congress



Johnny Ciszewski, Jr.
Member of Congress

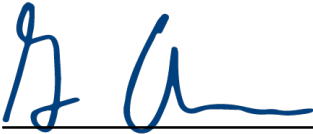
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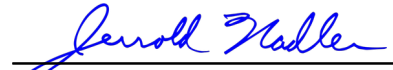
Dwight Evans
Member of Congress



Rashida Tlaib
Member of Congress



Gabe Amo
Member of Congress



Jerrold Nadler
Member of Congress