

**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

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

Comptroller Jonathan Gould  
Comptroller of the Currency  
400 7<sup>th</sup> Street, NW  
Washington, DC 20219

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

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

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.<sup>[1]</sup> 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.

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<sup>1</sup> 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.<sup>[2]</sup> 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.<sup>[3]</sup>

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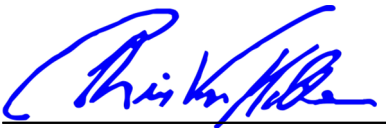
<sup>2</sup> Regulators Encourage Institutions to Work with Borrowers Affected by Government Shutdown  
Joint press release with: Board of Governors of the Federal Reserve System, Conference of State Bank Supervisors, Federal Deposit Insurance Corporation, National Credit Union Administration, Office 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/>

<sup>3</sup> 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,



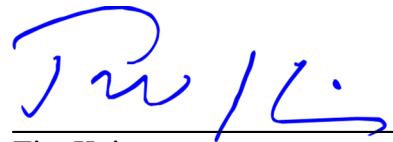
Chris Van Hollen  
United States Senator



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

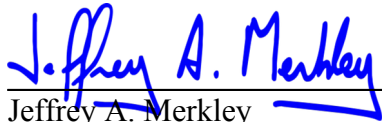
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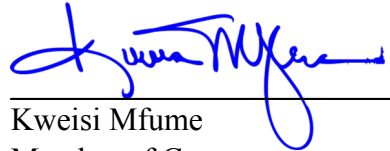
Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs



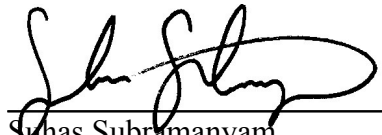
Kirsten Gillibrand  
United States Senator



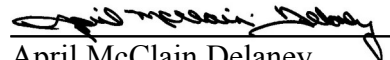
Jeffrey A. Merkley  
United States Senator



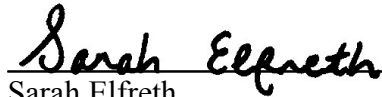
Kweisi Mfume  
Member of Congress



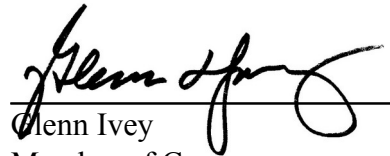
Suhas Subramanyam  
Member of Congress



April McClain Delaney  
Member of Congress



Sarah Elfreth  
Member of Congress



Glenn Ivey  
Member of Congress



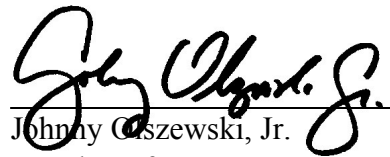
Eleanor Holmes Norton  
Member of Congress



Donald S. Beyer Jr.  
Member of Congress



James R. Walkinshaw  
Member of Congress



Johnny Ciszewski, Jr.  
Member of Congress

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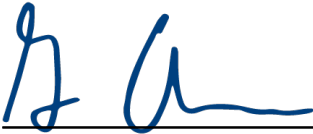
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Dwight Evans  
Member of Congress



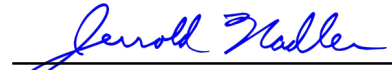
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Rashida Tlaib  
Member of Congress



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Gabe Amo  
Member of Congress



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Jerrold Nadler  
Member of Congress