



South Carolina

DEPARTMENT OF CONSUMER AFFAIRS

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PROTECTING CONSUMERS SINCE 1975

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June 30, 2025

Via Electronic Submission Only

US Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

RE: Request For Information, Modernizing Payments to and From America's Bank Account

Dear Secretary Tabor:

The South Carolina Department of Consumer Affairs (“SCDCA”/“Department”) is pleased to offer comments in response to the Department of the Treasury (“Treasury”) Request for Information in the above referenced matter regarding the President’s Executive Order 14247 on the transition to the use of electronic payments for all Federal disbursements.

SCDCA is South Carolina’s consumer protection agency. Established in 1974, SCDCA is responsible for the administration and enforcement of over 120 state and federal laws. A large part of our authority stems from Title 37 of the South Carolina Code of Laws, the Consumer Protection Code (the “Code”). The Code, among other purposes, is meant to further consumer understanding of the terms of credit transactions, foster competition among suppliers of consumer credit, and permit and encourage the development of fair and economically sound credit practices.¹ Further, it requires the Department to undertake activities to encourage business and industry to maintain high standards of honesty, fair business practices, and public responsibility in the production, promotion and sale of consumer goods and services.²

SCDCA supports the Treasury’s efforts to collect information from the public and interested stakeholders on the Request for Information. We offer the comments below based upon our experience regulating various industries, serving as an educational portal for consumers and

¹ S.C. Code Ann. § 37-1-102(c)-(e)(2019).

² S.C. Code Ann. § 37-6-117(f) (2019).



businesses alike and collecting and handling scam reports as well as consumer complaints and for both regulated and unregulated businesses.³

Discussion

Treasury seeks information related to the implementation of Executive Order 14247, which directs the federal government to transition to electronic payments for all disbursements, phasing out paper checks by September 30, 2025. The SCDCA supports the Treasury's efforts to modernize its payment systems and offers the following recommendations to assist in the process.

B.1. Public Awareness Campaign and Stakeholder Outreach: *What information should a public awareness campaign include and what support or tools are needed to help people transition from using paper checks to EFT options for Federal payments.*

SCDCA is the state agency designated to receive complaints and scam reports from South Carolina consumers. In this capacity, we have seen scammers follow the headlines in an attempt to separate consumers from their personal identifying information or money⁴. We anticipate the transition to EFT payments and surrounding, needed publicity for this effort will be no different. As such, we recommend scam education be a component of any future payment rollout. Running a campaign to include television advertisements and radio advertisements informing the public of the red flags of scams like the following could help deter someone from becoming a scam victim:

- No government agency is going to ask you to pay to receive your benefit payment via any of the new methods of payment.
- No government agency will call, email or text you to request your personal information or ask you to verify it. Never give private information to someone who contacts you out-of-the-blue. Instead, hang up or delete the message and directly contact that agency.
- Don't fall for the high-pressure tactics. Scammers of every kind will try to get you to act fast to prevent you from thinking too much. Press pause and talk to a friend or family member.

Education is a core component of our mission and we believe adequately informing affected residents of the transition will be a crucial component of the rollout.

³ See www.consumer.sc.gov.

⁴ See South Carolina Dept. of Consumer Affairs, Press Release Re: Scammers Following American Rescue Plan Headlines (March 17, 2021), <https://consumer.sc.gov/news/2021-03/scammers-following-american-rescue-plan-headlines>; South Carolina Dept. of Consumer Affairs, Press Release Re: Scammers Jump on Student Loan Forgiveness (September 8, 2022), <https://consumer.sc.gov/news/2022-09/scammers-jump-student-loan-forgiveness>; South Carolina Dept. of Consumer Affairs, Press Release Re: Scam Alert: Healthcare Scams on the Rise (September 11, 2013) <https://consumer.sc.gov/sites/consumer/files/Documents/News/2013/13026.pdf>.



C.2.a. Preferred EFT Methods: What are some potential risks or considerations related to offering certain EFT methods that Treasury should be aware of?

An area of concern to be mindful of as Treasury weighs the potential payment options are fees associated with certain account types or payment methods, such as prepaid debit cards. In some industries prepaid debit cards incur fees for activation, monthly maintenance, ATM withdrawals, and even account inactivity. These charges are often obscured in fine print, presented only after the user has completed their transaction, or disclosed on their monthly statements. These hidden costs can become a significant burden and erode the value of benefits received, especially to low-income, disabled or elderly individuals who depend on the payments as their primary source of income. As such, SCDCA recommends the Treasury prohibit fees on federal disbursements, including any fees related to accessing or withdrawing funds. Ensuring consumers have access to all funds on the card without needing to make a purchase is also a parameter to consider.

The lack of digital access for some is also a factor for consideration. A significant portion of South Carolina's population, especially in rural and underserved areas, lack reliable access to the digital technology necessary to receive or track certain electronic payments.⁵ Many low-income or elderly residents are less likely to have smartphones, stable internet connections, or the digital literacy required to navigate electronic payment systems. These residents often rely on brick-and-mortar establishments to be able to either deposit or cash their checks.

Conclusion

The Department certainly understands the impetus behind this RFI, especially considering the South having the highest unbanked rates in the country.⁶ We commend the Treasury for the work and effort put into this process and appreciate the opportunity to comment. Should you have any questions pertaining to our comments, please feel free to contact me at 803-734-4240.

Regards,

Carri Grube Lybarker, Esq.
Administrator/Consumer Advocate

⁵South Carolina Office of Regulatory Staff Digital Opportunity Department's Digital Equity Plan (2024) available at: <https://ors.sc.gov/sites/scors/files/Documents/Broadband/Digital%20Opportunity/SC%20DOD%20Digital%20Equity%20Plan.pdf>

⁶ FDIC National Survey of Unbanked and Underbanked Households (2023) available at: <https://www.fdic.gov/household-survey/2023-fdic-national-survey-unbanked-and-underbanked-households-report>