

United States Senate

WASHINGTON, DC 20510

November 20, 2007

The Honorable Jim Nussle
Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Nussle:

Recently, Social Security Commissioner Michael Astrue sent you a letter urging you to conduct a multi-agency process to issue a necessary rule clarification with respect to protecting Social Security benefits, SSI benefits, and Veterans' benefits from creditors. We want to inform you of our strong views on this issue.

Congress intended for Social Security, SSI, and Veterans' benefits to provide at least a minimum subsistence for our nation's veterans, elderly, and disabled. The law currently states that no Title II or Title XVI Social Security funds paid or payable shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law. We believe that the clear intent and spirit of this law is to protect these exempted funds for vulnerable beneficiaries.

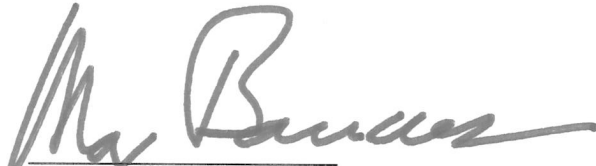
Each month, many recipients of Social Security, SSI, and Veterans' payments are left temporarily destitute when banks freeze access to their only source of income. The SSA OIG has been asked to survey a sample of banks to document how widespread this practice is.

Federal agencies with jurisdiction over banks have indicated they will work to end this practice if OMB, SSA, VA, DOJ or the Treasury clarifies the legal obligations of banks. We therefore encourage you to urgently conduct a multi-agency process with the five federal banking regulatory agencies, the Social Security Administration, the Department of Veterans' Affairs, the Department of Justice, and the Treasury Department, and have one or more of these agencies issue a rule clarification that will prevent beneficiaries from being denied access to exempted funds.

Finally, it is also important that rules are established to protect exempted funds that are co-mingled with non-exempt funds. It is our belief that an appropriate accounting method to segregate funds should be implemented by banks to adequately protect our nation's most vulnerable citizens.

We appreciate your attention to this very important matter.

Sincerely,



Max Baucus
Chairman
Finance Committee



Chuck Grassley
Ranking Member
Finance Committee



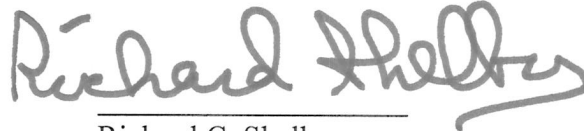
Herb Kohl
Chairman
Committee on Aging



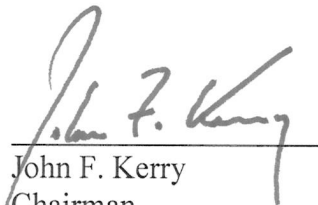
Gordon H. Smith
Ranking Member
Committee on Aging




Christopher J. Dodd
Chairman
Committee Banking, Housing
and Urban Affairs



Richard C. Shelby
Ranking Member
Committee Banking, Housing
and Urban Affairs



John F. Kerry
Chairman
Subcommittee on Social Security,
Pensions and Family Policy



Claire McCaskill
U.S. Senator