



June 30, 2025

Submitted electronically via: <http://www.regulations.gov>

Tyler Curtis, Director, Office of Consumer Policy
Nora Esposito, Senior Advisor, Office of Consumer Policy
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Re: Request for Information Related to the Executive Order, “Modernizing Payments To and From America's Bank Account” (Docket No: [TREAS-DO-2025-0004](#) / Federal Register: [2025-09766](#))

Dear Tyler Curtis and Nora Esposito,

Democrats Abroad, the official arm of the Democratic Party representing U.S. citizens living outside the United States, appreciates the opportunity to submit this regulatory comment.

Our main recommendation is to modernize payment systems so that Americans abroad can both easily make payments to and receive from the Internal Revenue Service (IRS) via non-U.S. bank accounts, which will increase access and eliminate a barrier that Americans abroad currently face in paying taxes or receiving refunds - basic functions that the IRS should be facilitating for all its citizens. Additionally, please ensure that paper checks remain an option for receiving payments from Americans abroad who do not have a U.S. bank account.

It is common for Americans living abroad to have a bank account in their country of residence in order to receive a salary and pay local bills. But many Americans are unable to make payments to the IRS via electronic transfer because few U.S. banks will accept non-residents as customers, even U.S. citizens living abroad. Some of our members have reported they haven't been able to pay their tax due because the instructions on the IRS website for making a transfer from a non-U.S. bank account are too complicated. These individuals were unable to get assistance from the IRS, and therefore were subject to unfair late-payment penalties.

Americans living abroad also struggle or are unable to deposit U.S. checks, even those issued by the U.S. Treasury, in their country of residence. This is because, in the rest of the world, checks are for the most part deemed unsafe as a money transfer method. Banks in countries such as

Sweden, Australia, and the Netherlands have stopped accepting checks altogether. When Americans abroad do not have a U.S. bank account and are unable to provide bank details on their tax return, the IRS defaults to issuing a check when a refund or credit is due. We regularly receive emails from our members asking how to cash a check from the IRS, because it is difficult or impossible to find a bank that will accept a check at all, let alone one from outside the country. Non-U.S. banks that accept foreign checks often charge a heavy processing fee for this uncommon service.

It follows that the IRS, Treasury, and the taxpayer would greatly benefit from an updated system able to both make bank transfers to and receive money from non-U.S. bank accounts. Not only would this make tax collection easier for the agency, but it would also remove barriers that Americans abroad face in being able to complete the most basic of functions that the IRS is tasked with, collecting tax.

The Taxpayer Advocacy Panel in 2022 requested the IRS make it easy for taxpayers abroad to receive payments to a non-U.S. bank account, and the IRS said the issue was under consideration until September 30, 2022, but never followed up.¹ Additionally, the IRS Strategic Operating Plan in 2023 said a key project was to “Allow those with foreign bank accounts and foreign currency to make and receive payments.”² Yet the facility to easily make or receive payments from non-U.S. bank accounts still doesn’t exist. While the IRS has remained stagnant on this issue, the Social Security Administration is able to make payments to non-U.S. bank accounts for beneficiaries residing outside the United States.³ Given that another federal agency already makes payments to non-U.S. bank accounts, it is inexplicable that the IRS is unable to implement the same capability.

Our suggestions are discussed in more detail in the attached annexes. We thank you again for the opportunity to comment.

Sincerely,

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¹ Taxpayer Advocacy Panel 2022 Annual Report. Issue 43808: Non-U.S. Banks Not Cashing U.S. Checks, page 27
<https://www.improveirs.org/wp-content/uploads/2023/04/2022-tap-annual-report-v2.pdf>

² Internal Revenue Service Inflation Reduction Act Strategic Operating Plan, page 40 <https://www.irs.gov/pub/irs-pdf/p3744.pdf>

³ Social Security Administration, Your Payments While You Are Outside the United States, Publication No. 05-10137 <https://www.ssa.gov/pubs/EN-05-10137.pdf>

Appendix I: Itemized Response to Request for Information Questions

A. Paper Check Usage for Government Collections and Disbursements

1. What are some of the factors causing individuals and organizations to continue to use paper checks to receive or make payments to the Federal Government?

The IRS makes electronic transfers when a taxpayer lists their U.S. bank account details on Form 1040. If the taxpayer doesn't list U.S. bank account details on Form 1040, and the taxpayer is due a refund or credit, a check is issued by default. The IRS could greatly reduce the number of paper checks issued for international taxpayers by allowing them to enter their non-U.S. bank details. International bank transfers are usually addressed with an IBAN (International Bank Account Number) and processed as a SWIFT (Society for Worldwide Interbank Financial Telecommunications) transfer.

2. What barriers exist for transitioning individuals and organizations to electronic funds transfer (EFT) options?

The barriers that exist for Americans abroad are two fold:

- 1) Very few U.S. banks accept non-residents as customers, even U.S. citizens residing abroad. We understand that the IRS has limited influence on bank policies, but we raise this as an issue in order for the IRS to understand why Americans abroad are unable to add U.S. bank details to Form 1040 in the first place.
- 2) The IRS instructions for international SWIFT transfers are next to impossible for an everyday American abroad to figure out how to make payment to the IRS as an international bank transfer from their non-U.S. bank account. The IRS needs to provide clear and simple instructions for this process.

a. Are there particular barriers preventing unbanked and underserved individuals from adopting EFT options?

A few barriers prevent the American abroad population from being able to make/receive electronic bank transfers:

- 1) Unclear instructions for how to make an international bank transfer to the IRS, and lack of facilities for the IRS to make payments to non-U.S. bank accounts.
- 2) U.S. bank policies prevent Americans abroad from being able to open an account in the first place. Some banks deem non-resident U.S. citizens as potential security or fraud risks. See Annex II for materials Democrats Abroad has handed out to Congressional offices to raise awareness of the U.S. banking access issues that Americans abroad face.
- 3) A lack of ability to find a U.S. bank that will accept non-resident U.S. citizens as customers. If the IRS, Treasury, and/or State Department provided a list of U.S. banks

that accept Americans abroad as customers, this would enable easier and better access to the U.S. banking system at large.

b. Are there particular barriers preventing individuals who own bank accounts or small businesses from adopting EFT options?

The issue isn't being able to make or receive an electronic payment if an American abroad owns a domestic bank account. The issue is access to being able to open a U.S. bank account in the first place and the IRS' lack of facilities to easily make or receive payments to non-U.S. bank accounts.

c. Are there cases where Federal agencies do not currently provide EFT options or where information regarding EFT options is not readily available?

The IRS does not currently permit transfers to a taxpayer living abroad unless extreme circumstances arise. Additionally, the instructions for making payment to the IRS from a non-U.S. bank account are confusing and complicated. This limitation prohibits an everyday American abroad from being able to make payment when tax is due to the IRS. Note that the Social Security Administration makes payments to non-U.S. bank accounts for Americans abroad to receive Social Security benefits. There is no reason that the IRS can't facilitate payments to/from non-U.S. bank accounts given another federal agency already offers this service to the abroad population.

d. What alternatives to EFT payments should Federal agencies consider in the limited cases where electronic methods are not feasible?

In the extreme circumstances where the IRS wouldn't be able to offer electronic payments to non-U.S. bank accounts, Americans abroad should still be permitted to request payments via paper check. The process to request a paper check should be straightforward and easy for the taxpayer eg. call the IRS to request payment via paper check, use an online form to request a paper check either on the IRS website, or easily request a paper check while logged into the taxpayer's online IRS account. There should be no barriers or bureaucratic hoops for the taxpayer to have to jump through to make it as easy as possible for them to have a paper check mailed to them in their country of residence. It should also be equally easy for a new check to be requested in unfortunate cases where the initial check was lost in the mail.

2. Have there been successful campaigns in the private sector or in other areas to transition individuals from paper checks to EFT options that could inform Federal efforts?

The IRS has not made efforts to make it easier for Americans abroad to be able to pay/receive international payments, therefore there have never been previous successful campaigns.

a. Why do you think that these campaigns were successful?

N/A

b. What strategies would you recommend to Treasury?

Americans abroad should be able to both make and receive payments to/from the IRS via international bank transfer. The process to make or receive an international payment should be straightforward and easy for the taxpayer eg. call the IRS to request to make a bank transfer over the phone, use an online form to set up the payment on the IRS website, or via the taxpayer's online IRS account. There should be no barriers or bureaucratic hoops for the taxpayer to have to jump through to make it as easy as possible for them to make or receive payment via the bank account in their country of residence.

B. Public Awareness Campaign and Stakeholder Outreach

1. 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?

In order to raise awareness with Americans abroad, the IRS and Treasury should work hand-in-hand with the U.S. State Department.

2. As Treasury coordinates with other Federal Government agencies on this public awareness campaign, what are the most effective communication channels for Federal agencies to reach program participants and other payees? Are there external entities or organizations in the private or nonprofit sectors that Federal agencies should partner with to increase awareness among beneficiaries and payees?

Federal agencies that the IRS could partner with to help raise public awareness would include the State Department. Some communication channels include:

- Sending a letter to taxpayers in the mail
- Ask the State Department to send an email out via its STEP mailing list

Partner with American abroad organizations including Democrats Abroad to help spread the word.

3. What are the best communication channels for the Federal Government to gather information from individuals who currently rely on paper checks?

- Speak with overseas tax practitioners to gather information on what their clients (Americans abroad and international taxpayers-at-large) prefer and would like to see changed. Anyone on the IRS Tax Return Preparer Directory who lives outside the United States would be suitable.
- Online forums, SubReddits, and Facebook Groups where Americans abroad depend on crowd sourced resources to assist in their tax filing obligations.
- Contact American abroad organizations, including Democrats Abroad.

4. How should Federal agencies inform the public about different EFT payment options when they choose how to make government payments?

The IRS should:

- Issue messages on its newswire service to raise awareness to taxpayers and tax practitioners about payment options available, especially international transfer options.
- Work with the State Department to provide information in Embassies and Consulates around the world, including but not limited to flyers issued in passport renewals, handing out flyers for embassy and consulate appointments, and sending out messages via the State Department's STEP mailing list.

C. Preferred EFT Methods

The E.O. discusses transitioning government payments to EFT methods, including direct deposit, debit and credit card payments, prepaid card accounts (such as Direct Express), digital wallets and real-time payment systems, and other digital payment options.

1. Which electronic payment methods are typically used to make or receive payments by the general public, unbanked individuals, and individuals who rely on paper checks from the Federal Government? Why do individuals choose these payment methods?

Most Americans abroad make payments to the United States using commercial international money transfer companies such as [Wise.com](https://www.wise.com/). The reason Americans abroad choose online commercial international money transfer companies to transfer money in/out of the United States is because it's a low cost way of transferring money.

2. What EFT options, including those listed in the E.O., do you think the Federal Government should offer for incoming and outgoing payments, and why?

- Treasury should add the IBAN number as a field under bank details on Form 1040 to enable Americans abroad to receive payments directly from the IRS if a refund or credit is due.
- The IRS should provide a page on its website with clear and simple instructions for making payment to the IRS, specifically the IRS' IBAN number for taxpayers to make payment into. The current page on the IRS website that explains how to make payments to the IRS from an international bank account is woefully inadequate since it is missing the IBAN number. The IBAN number is the basic number required to make an international transfer between countries and is the international standard number used around the world. Here is the website URL for reference:
<https://www.irs.gov/individuals/international-taxpayers/foreign-electronic-payments-tax-type-codes>

- If direct payments to/from Americans abroad are for some reason isn't unavailable, Treasury could partner with commercial international money transfer companies to enable payments to/from the IRS.

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

Please be aware that Venmo and Cash App does not work outside of the United States, and therefore is not a money transfer method that would help Americans abroad. We strongly recommend Treasury and the IRS itself create easy facilities to transfer money internationally to help Americans abroad from having to pay 3rd party transfer fees.

b. Are there administrative, regulatory, or statutory barriers related to offering certain types of EFT methods?

The Social Security Administration already makes payments to non-U.S. bank accounts for Social Security benefits. This should be a relatively easy process for the IRS to also implement.

c. How can the government prevent fraud and make payments securely using these EFT options?

Banks are already highly regulated for international bank transfers which includes money laundering checks and Know Your Customer policies. International bank transfers are already viewed as a safe and trusted money transfer method, and viewed as being safer compared to checks by Americans abroad.

3. What types of organizations or partnerships could be leveraged to provide access to EFT payments for individuals or businesses that do not have bank accounts?

Since most Americans abroad do not have access to a U.S. bank account, offering payments to/from a non-U.S. bank account is the best way to ease payments to/from Americans abroad. Failing that, partnering with 3rd party international money transfer companies such as [Wise.com](https://wise.com) would assist Americans abroad in being able to both make and receive payments.

4. Are there additional financial products or services available to facilitate EFT methods of payment not listed in the E.O. that the public should be aware of?

- International bank transfers
- 3rd party international money transfer companies

D. General Comments Related to the E.O. "Modernizing Payments To and From America's Bank Account"

1. Are there any other issues related to the implementation of this E.O. that you would like to raise?

N/A

Appendix II: U.S. Banking Access Issues for Americans Abroad

There are a few banks that do accept Americans abroad as clients but each has barriers to opening an account which includes at least one of these minimum requirements:

- U.S. address (most Americans abroad don't have a U.S. address, only a non-U.S. address)
- requires a U.S. phone number (again, most Americans abroad don't have a U.S. phone number, only a non-U.S. phone number)
- Minimum deposit (not all Americans abroad have high incomes)
- Membership (not all are members of affiliated organizations)
- Friend or family referral (many Americans abroad don't have friends or family left so can't receive a referral)

Some illustrative examples of these barriers:

Capital One 360 Checking Account

[This Investopedia article](#) says Americans abroad can open this account, but on the online application form to apply for the account, it asks for a U.S. address and U.S. phone number, neither of which Americans abroad have. Additionally, they say they do an IP check to prevent identity theft, stating, *"Similarly to your phone info, we may do a one-time check with your IP provider to identify where you're applying from. An IP provider is the company that supplies your internet access. Don't worry if you are applying while at work across town - we are looking for something more drastic. **An example of a risky situation would be if you are applying from another country.** Think of us as a detective trying to prevent a crime from happening."* Using a non-U.S. IP address isn't risky from an American abroad perspective, it's simply where we live.

Citibank CitiGold

[Says they accept](#) Americans abroad but has a \$200,000 minimum balance requirement. This would exclude the majority of Americans abroad who are low and middle income.

HSBC Premier Checking

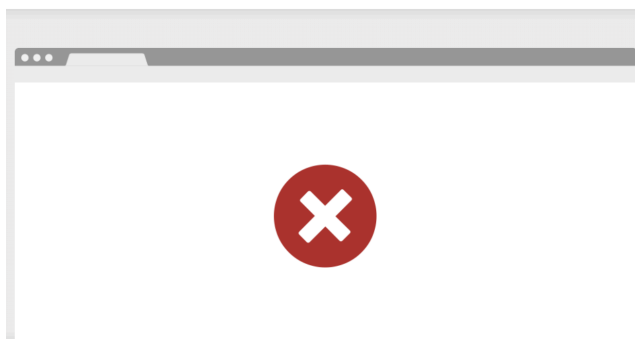
[Says they accept Americans abroad in 46 countries](#) and also requires a minimum \$75,000 minimum balance. Again, only those in one of these countries and/or can meet the minimum balance requirement are eligible, which limits these accounts to a very small pool of clients. HSBC is a large bank, they have a presence internationally, and accept clients of all income levels in those countries. They have the facilities to offer U.S. banks services to non-U.S. clients, so it's unclear why there's a minimum balance requirement in place in order for an American abroad to access their U.S. bank services.

Alliant High-Rate Checking

[This Investopedia article](#) says they accept Americans abroad, but when you attempt to access their online application form to open an account, it looks like they identify you when you're outside the U.S. and it displays a block message. Clearly, this isn't Americans abroad friendly. See screenshot below:

Sorry, you have been blocked

You are unable to access mantl.com



Why have I been blocked?

This website is using a security service to protect itself from online attacks. The action you just performed triggered the security solution. There are several actions that could trigger this block including submitting a certain word or phrase, a SQL command or malformed data.

What can I do to resolve this?

You can email the site owner to let them know you were blocked. Please include what you were doing when this page came up and the Cloudflare Ray ID found at the bottom of this page.

Cloudflare Ray ID: 854f7b7ceb163a3 • Your IP: [Click to reveal](#) • Performance & security by [Cloudflare](#)

Navy FCU, State Department FCU, United Nations FCU, Adelfi, and PenFed

All four of these credit unions will allow a U.S. citizen living outside the U.S. to sign up for basic banking services with a non-U.S. address and non-U.S. phone number, which is, at a minimum, what Americans abroad need. Potentially, these banks have gone through the necessary steps to comply with international data privacy compliance laws in order to offer these services to people abroad; this demonstrates it is possible for a bank to take on U.S. citizen clients living outside the U.S. The barrier with these five banks is that you either have to be a member of an affiliate organization or have a friend or family member who is already a member refer you to become a customer. Although this may seem like a low bar, many Americans abroad don't have stateside friends or family they can rely on for a referral or they can't justify the funds to pay to join a member organization to then open the account. All of these banks offered either a low or no fee checking account option, which makes these appealing for Americans abroad who don't plan to use their U.S. bank account as their primary account (most use a bank account in their country of residence as their primary account).

Recommendation

- Host Congressional round table discussions on opening banking access for Americans abroad.
- Encourage banks to expand services given the estimated client pool of 9 million Americans abroad.
- Enter into discussions with Navy FCU, State Department FCU, United Nations FCU, Adelfi, and PenFed to better understand the necessary steps to comply with international data privacy compliance laws and share best practices with banking associations.
- Establish an international data privacy best practice to encourage more banks to offer banking services to Americans abroad.