



Fact Sheet: President Donald J. Trump Modernizes Payments to and from America's Bank Account

PHASING OUT PAPER CHECKS: Today, President Donald J. Trump signed an Executive Order to modernize how the government handles money, switching from old-fashioned paper-based payments to fast, secure electronic payments.

- The Order mandates that, effective September 30, 2025, the Federal government will cease issuing paper checks for all disbursements, including intragovernmental payments, benefits, vendor payments, and tax refunds.
- All executive departments and agencies must transition to modern, electronic funds transfer (EFT) methods like direct deposit, debit/credit card payments, digital wallets, and real-time transfers.
- Payments made to the Federal government, such as fees, fines, loans, and taxes, must also be processed electronically where permissible under existing law.
- Treasury will phase out physical lockbox services and expedite electronic collection of Federal receipts.
- A comprehensive public awareness campaign will be launched to inform Federal payment recipients of the shift to electronic options and offer guidance on setting up digital payments.
- Exceptions will be made for people without banking or electronic payment access, certain emergency payments, certain law enforcement activities, and other special cases qualifying for an exception under the Order or other existing law.
- This Executive Order does not establish a Central Bank Digital Currency (CBDC).

DEFENDING AGAINST FINANCIAL FRAUD AND IMPROPER PAYMENTS: President Trump is cracking down on waste, fraud, and abuse in government by modernizing outdated paper-based payment systems that impose unnecessary costs, delays, and security risks.

- Paper-based payments, such as checks and money orders, impose unnecessary costs, delays, and risks of fraud, lost payments, theft, and inefficiencies.
- Mail theft complaints have increased substantially since 2020.
- Historically, Treasury checks are 16 times more likely to be reported lost or stolen, returned undeliverable, or altered than an electronic funds transfer.
- Maintaining the physical infrastructure and specialized technology for digitizing paper records cost the American taxpayer over \$657 million in fiscal year 2024 alone.



- Check fraud is becoming more common, with banks issuing about 680,000 reports of check fraud in 2022 – nearly double the number from 2021.
- Digital payments are more efficient, less costly, and less vulnerable to fraud.

MODERNIZING THE FEDERAL GOVERNMENT: President Trump is making government work better for the American people.

- This Executive Order fulfills President Trump’s commitment to improving government efficiency and protecting taxpayer dollars.
- It builds on numerous other executive actions already taken in his first two months in office to streamline federal operations, reduce bureaucratic waste, and enhance the delivery of services to citizens.
- President Trump has long championed the need for replacing outdated technology, saying “government needs to catch up with the technology revolution.”