

News Release

Comptroller Lierman Expresses Concerns to U.S. Secretary of the Treasury about Savings Bonds Proposal

Comptroller says stringent rule would hamper Maryland's ability to reunite rightful owners with their mature, unredeemed savings bonds promptly

ANNAPOLIS, Md. (December 1, 2023) — In comments submitted Thursday, **Comptroller Brooke Lierman** shared her concerns with Janet Yellen, Secretary of the United States Department of the Treasury, about proposed amendments to the SECURE 2.0 Act of 2022 that would hamper states' access to the Treasury's \$39 billion in mature unredeemed savings bonds in Unclaimed Property.

The 2022 SECURE 2.0 Act requires the Treasury to provide states with the information necessary to redeem abandoned bonds and use that information to reunite bond owners with their money. The U.S. Department of Treasury issued proposed rules on October 31, 2023, which provide that the applicable savings bond information cannot be used to escheat bond ownership to state. The public comment period for the proposed rules closed on November 30, 2023.

In her submitted comments, the Comptroller noted that many states, including Maryland, have well-established programs that are effective at reuniting citizens with their unclaimed funds.

"Here in Maryland, our unclaimed property program uses a range of strategies to help reunite people with their property, including year-round outreach to the community, quarterly mailings, and data matching, and we have a 40-person team solely dedicated to claims processing, Comptroller Lierman said. "And, our program has yielded results with \$1.3 billion in funds being returned to rightful owners since its inception."

Rather than leveraging these existing state resources and programs, the Treasury Department's proposal would prevent states from playing a sufficiently active role in the claims servicing process. She urged the removal of restrictions requiring sole reliance on the Treasury Department's redemption processes and allowing states to continue to support the servicing of claims.

The Comptroller also expressed concern about the proposal's prohibition on releasing information to the public without express written approval, which would place an increased administrative burden on state agencies while also preventing them from using proven and trusted reunification and fraud prevention tools and heightening costs associated with potential misuse, distribution, or inadequate protection of records. The stringent conditions could act as deterrents, limit state participation, and undermine the intended purpose of returning mature savings bonds to their owner or heirs.

Supporting the Comptroller in raising these points is the director of the National Association of Unclaimed Property Administrators (NAUPA).

“I welcome the support of the Maryland Comptroller who joins our organization in expressing concern regarding these regulations, which do not allow states to effectively utilize their proven and secure systems to assist in returning more than \$39 billion in matured unredeemed savings bonds to the rightful owners,” said Jeremy Dawson, NAUPA’s director.

Lastly, the Comptroller said the absence of a title escheatment process or accompanying fund remittance also hinders available state resources to provide enhanced outreach efforts beyond currently established efforts.

“I strongly urge the Treasury Department to reconsider the proposed rule and incorporate changes that address the above issues. Specifically, defining a clear claim servicing role for states and more flexibility with data usage will significantly enhance the likelihood of successful participation,” concluded Comptroller Lierman.

The full comments can be found at https://www.marylandtaxes.gov/unclaimed-property/static_files/MD-Savings-Bond-Federal-Comment.pdf.

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