

When EIDL Autopay Goes Silent: Some Borrowers Say Payments Stopped Without Warning, and Treasury Collection Can Follow

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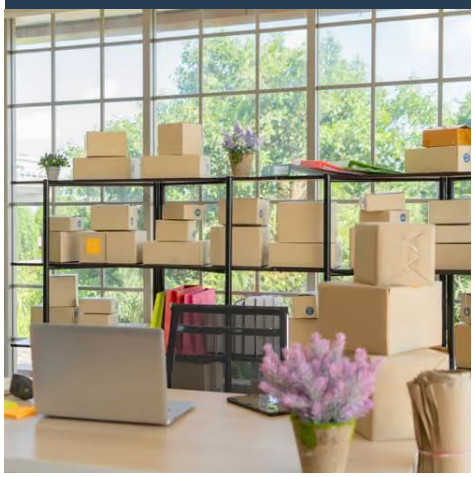
Businesses with Small Business Administration loans through the Economic Injury Disaster Loan (EIDL) program may encounter a startling surprise. Owners have reported seeing automatic loan payments mysteriously stop sometime in 2025, with no notice, no declined-transaction alert, and no other notification.

And with these automatic payments stopping, these pandemic-era EIDL loans have been sent to the Treasury Department for collection. This is the government's most aggressive collection area, where businesses can face Administrative Wage Garnishment (AWG), the Treasury Offset Program (TOP), and even private-sector collection agencies.

There's been more collection activity in recent months after the SBA sent about 500,000 of these delinquent pandemic loans to Treasury. And some of these involve situations where businesses didn't realize their ACH payments had been stopped without warning.

Frost Law is working extensively on COVID-19 EIDL issues. For people with problems with loan payments unexpectedly ending or other EIDL issues, the Frost Law team may be able to help. Contact our team to schedule a consultation at **(410) 497-5947**. There's also more information available at our **SBA Loan Debt Relief: EIDL & PPP** practice page.

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Disappearing ACH Payments

Here is what we have seen repeatedly with clients at Frost Law. A borrower set up recurring Automated Clearing House (ACH) payments for their EIDL some time ago and made every payment on time. But then one day the automatic payments simply stopped. No notice from the bank that there were insufficient funds to make the payment. No letter from the Small Business Administration (SBA) stating that the automatic payments stopped.



Later, a delinquency notice may appear from the SBA, perhaps as a message through the agency's online portal noting the loan is past due. Sometimes there's no notification at all.

In several instances seen by the Frost Law team, the business sees the SBA notice too late because the loan had already been transferred over to Treasury for collection.

Why It Matters

Missing a delinquency notification can be expensive. Treasury says SBA began referring delinquent COVID EIDL debts to its Cross-Servicing program in September 2025, and that those debts generally cannot be sent back to SBA.[1]

Why Autopay Might Stop

The underlying cause for businesses seeing their autopay payment stop has not been confirmed in any particular case. But there are three possibilities that businesses should initially investigate:

- **The payment schedule ended.** SBA's payment page says borrowers who set up recurring payments choose the number of installments and the payment frequency. Debit-card schedules are limited to 36 months and cannot run past the card's expiration date. A schedule that runs out simply stops, with no failed debit to trigger an alert.
- **Two government online systems were involved.** Some borrowers set up recurring payments through Pay.gov, the Treasury Department's online payment service, rather than through SBA's own portal. Pay.gov's SBA page now directs borrowers to the MySBA Loan Portal, which says the portal can cancel recurring payments created on Pay.gov.[2] A borrower who moved between the two platforms, or whose old payment schedule was replaced, may miss something.
- **Something changed at the borrower's bank.** This can be a closed or replaced account, or even a changed authorization, that could mean the end of automatic EIDL payments to the government.

What EIDL Borrowers Can Check

For businesses trying to determine why their automatic payments stopped, the bank record is the fastest way to sort out the situation. Businesses can:

- Request the account's ACH transaction history, including any returned items, for the months in question. A record showing no debit attempt at all is different from a declined or returned payment. Keep these records.
- Log in to the SBA Loan Portal to review payment history and any recurring payment schedule, including its number of installments and end date. If payments were once set up on Pay.gov, check there as well.
- Read any Treasury or collection-agency letter right away and note the response deadline. Before paying anyone, confirm the letter is genuine through the contact information on the Treasury Department's **Fiscal Service website**.

If your EIDL payments stopped without explanation and you're now dealing with a delinquency notice, collection letter, or credit reporting issue, Frost Law's SBA Loan Debt Relief team can review what happened and what your options are. If you have an EIDL loan currently at Treasury, have received a garnishment or offset notice, or have other questions, contact our team to schedule a consultation at **(410) 497-5947**.

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Frost Law is working extensively on COVID-19 EIDL issues. There's been increasing activity in this area in recent months after the SBA sent about 500,000 of these delinquent pandemic loans into the Treasury collection system. To help borrowers understand what they face, Frost Law has written a series of articles covering the loan program. Explore the rest of the series here:

- Overlooked: Nearly A Half-Million Delinquent SBA Loans Sent To Federal Collection Process and Private Debt Collectors
- Frost Law Alert: SBA Loan Holder Rights May Have Been Violated When Debts Sent to Treasury for Collection
- Silver Lining For Small EIDL Borrowers With SBA Loans: Closing Your Business Doesn't Mean Financial Ruin
- SBA EIDL Loans Sent to Treasury: What Borrowers Should Know
- Businesses With an SBA EIDL Loan Between $25,000 AND $200,000 May Still Have Assets at Risk
- SBA EIDL Loans Over $200K: The Personal Risk for Business Owners That Can Be Overlooked
- Got a COVID-19 EIDL Loan? The Government Can Garnish Wages or Social Security; Here's What to Do
- An EIDL Loan Sent to Treasury Can Come Back to the SBA. Here's How Frost Law Made That Happen to Help Businesses
- When EIDL Autopay Goes Silent: Some Borrowers Say Payments Stopped Without Warning, and Treasury Collection Can Follow
- New Low-Cost Option Available for Businesses Disputing SBA Pandemic Loans

More News Articles

Footnotes

1. U.S. Dep't of the Treasury, Bureau of the Fiscal Service, Cross-Servicing contact page ("Important SBA COVID EIDL Update").
2. Pay.gov, "1201 Borrower Payments" (SBA form page).