

NO FRESH START IN 2019

HOW STATES STILL ALLOW DEBT COLLECTORS
TO PUSH FAMILIES INTO POVERTY



November 2019

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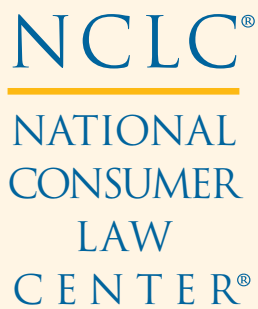
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ACKNOWLEDGMENTS

The author would like to thank Mary Kingsley, a Massachusetts attorney, for extensive research and analysis; NCLC attorneys April Kuehnhoff, Lauren Saunders, Michael Best, Margot Saunders, John Van Alst, and John Rao for analysis, advice, and review; Senior Fellow Bob Hobbs for his significant contributions to the 2013 version of this report; NCLC Communications Director Jan Kruse for editorial review and communications support, Stephen Rouzer for communications support; NCLC Researchers Ana Giron Vires and Maggie Eggert for research, fact-checking, and proofreading; and Julie Gallagher for graphic design. NCLC also thanks the W.K. Kellogg Foundation and the Annie E. Casey Foundation, whose support of our work made this report and much more possible. The views expressed in the report are solely those of NCLC and the author.



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Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services; and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state governments and courts across the nation to stop exploitive practices, help financially stressed families build and retain wealth, and advance economic fairness.

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EXECUTIVE SUMMARY

Every state has a set of exemption laws, intended to prevent creditors from pushing consumers and their families into destitution. Exemption laws preserve basic items of property from seizure by creditors so that consumers can continue to work productively and support themselves and their families. These laws are intended to protect at least subsistence wages and essential property, such as a car and home, from seizure by creditors.

States have good reason to be concerned about protecting their residents from over-aggressive collection of judgments for consumer debts. The growing wealth gap strains families to the breaking point and the growth of the debt buyer industry makes them increasingly vulnerable to seizure of essential wages and property.

This report surveys the exemption laws of the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. Despite the importance of state exemption laws, this report finds that not one jurisdiction meets five basic standards:

- Preventing debt collectors from seizing so much of the debtor's wages that the debtor is pushed below a living wage;
- Allowing the debtor to keep a used car of at least average value;
- Preserving the family's home—at least a median-value home;
- Preserving at least \$3,000 in a bank account so that the debtor has minimal funds to pay such essential costs as rent, utilities, and commuting expenses; and
- Preventing seizure and sale of the debtor's necessary household goods.

Best states: Massachusetts, which modernized its archaic exemption laws in 2010, and Nevada, which also recently improved its laws, come closest to meeting these five basic standards, each rating a high "B" grade. Solid "B" states include Texas, Puerto Rico, and the District of Columbia. New York, Oklahoma, and South Carolina rate low "B" grades. Kansas, North Dakota, and Wisconsin each rated a high "C."

Worst states: At the opposite end of the scale are several states whose exemption laws reflect indifference to struggling debtors. These states allow debt collectors to seize nearly everything a debtor owns, even the minimal items necessary for the debtor to continue working and providing for a family. Georgia, Kentucky, Michigan, New Jersey, and Utah are the worst and rate an "F." Meanwhile, Alabama, Arkansas, Indiana, Maryland, Missouri, Pennsylvania, and Wyoming are nearly as bad, rating a "D-."

Key Recommendations for States

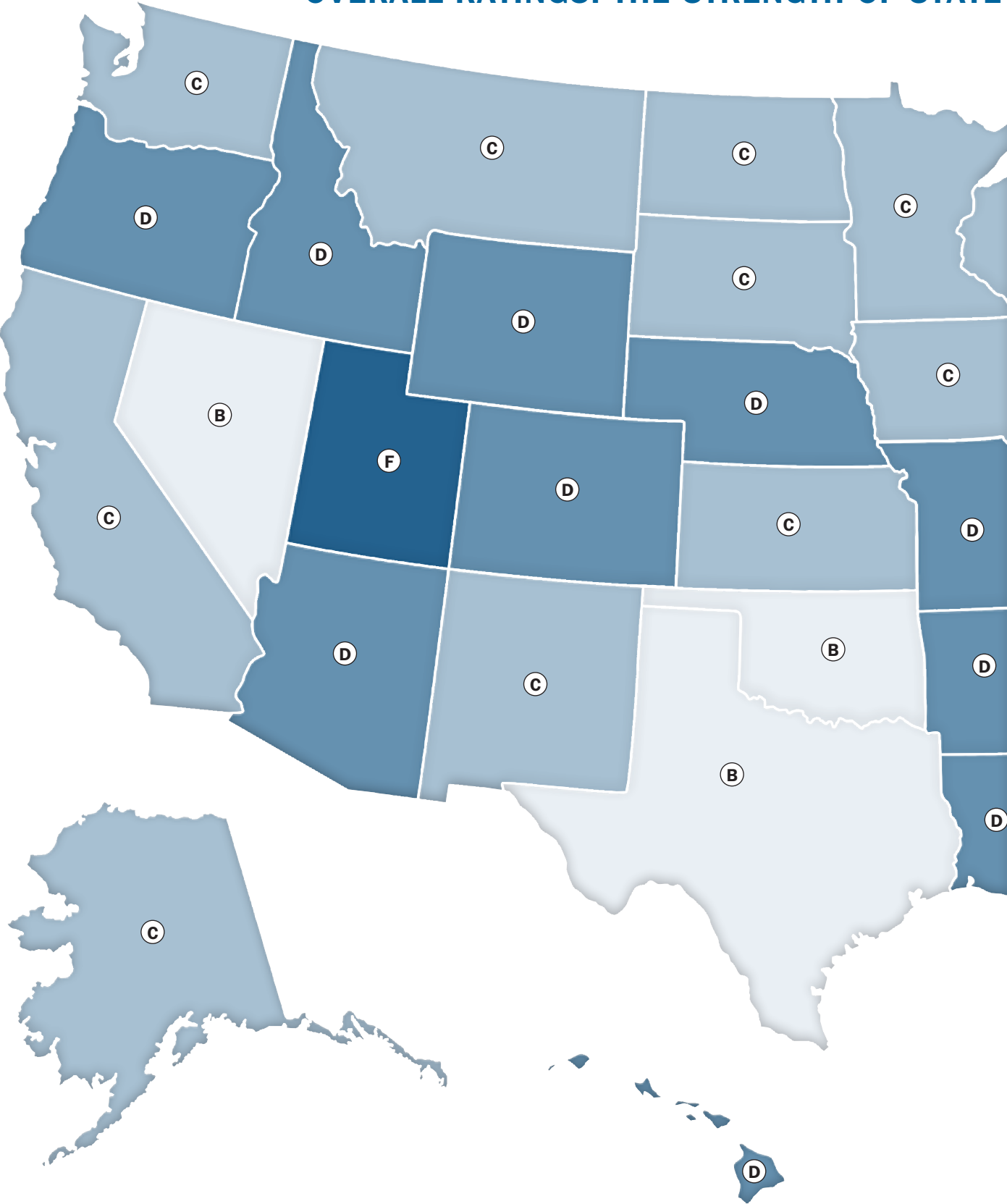
State exemption laws should:

- **Preserve the debtor’s ability to work**, by protecting a working car, work tools and equipment, and money for commuting and other daily work expenses.
- **Protect the family’s housing, necessary household goods, and means of transportation.**
- **Protect a living wage for working debtors**—a wage that can meet basic needs and maintain a safe, decent standard of living within the community.
- **Protect a reasonable amount of money on deposit** so that debtors can pay commuting costs and upcoming bills such as rent, daycare, and utility bills.
- **Protect retirees from destitution** by restricting creditors’ ability to seize retirement funds.
- **Be automatically updated for inflation.**
- **Close loopholes that enable some lenders to evade exemption laws.** For example, states that allow payday lending enable these lenders to evade state laws that protect wages and exempt benefits from creditors. States that allow lenders to take household goods as collateral enable these lenders to avoid state protections of household goods.
- **Be self-enforcing to the extent possible**, so that the debtor does not have to file complicated papers or attend court hearings.

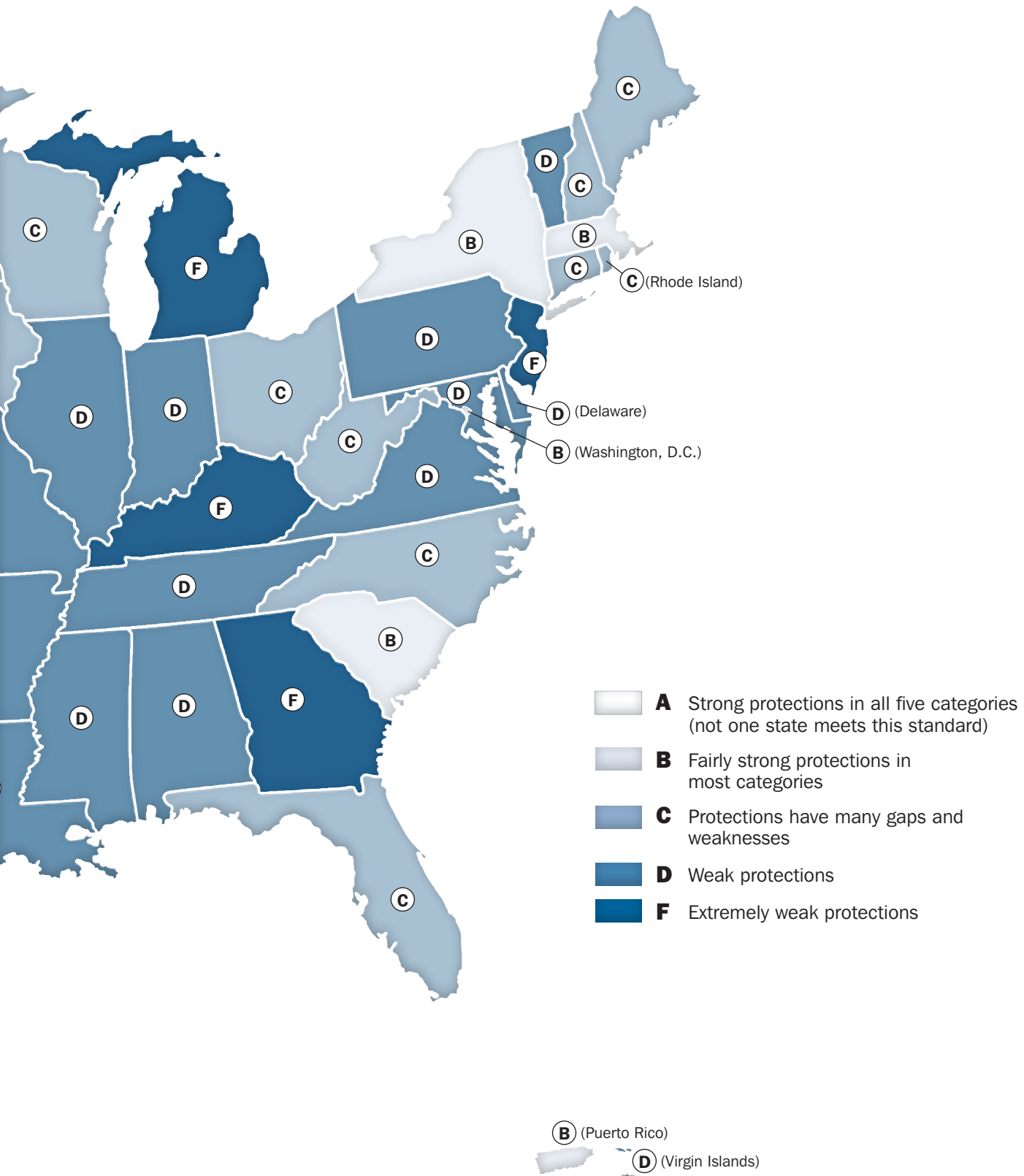
Model language for states to achieve these goals is provided in the National Consumer Law Center’s *Model Family Financial Protection Act*, available at www.nclc.org/mffpa The model law also includes steps that states can take to reduce the pervasive abuse of the court system by debt buyers. Seizure of debtors’ wages and property would not be such a problem if debt buyers did not churn out such an endless stream of judgments on old, poorly documented debts – many of them not even owed.

By updating their exemption laws, states can prevent debt buyers from reducing families to poverty. These protections also benefit society at large, by keeping workers in the work force, helping families stay together, and reducing the demand on funds for unemployment compensation and social services.

OVERALL RATINGS: THE STRENGTH OF STATE



PROTECTIONS FOR FAMILY FINANCES



INTRODUCTION

State exemption laws, which protect income and property from seizure by creditors, are a fundamental safeguard for families. Exemption laws are designed to protect consumers and their families from poverty, and to preserve their ability to be productive members of society and achieve financial rehabilitation.

Exemption laws are particularly important because they protect cars, work tools, and other property that consumers need to stay in the workforce. When individuals lose their jobs, the consequences fall not just on them and their families, but also on landlords, local merchants, and other creditors that the consumer might have paid. By protecting families from impoverishment, exemption laws also save costs that taxpayers would otherwise have to bear for services such as emergency shelter and foster care.

How Weak Exemption Laws Endanger Families: West Virginia

Briana and her husband purchased a vehicle using a loan. Realizing they could not afford the payments, they contacted the lender and offered to voluntarily surrender the vehicle. The lender did nothing for three years, and then repossessed the vehicle and sued Briana and her husband for a deficiency. Due to issues with a change of address, Briana was not aware of the lawsuit and a judgment was entered against her and her husband. The debt collector then obtained a writ of execution and drained Briana and her husband's bank account, seizing \$5,300. As a result, numerous checks that Briana had already written bounced, and she was unable to pay her bills, including her mortgage payment. Additional debt collection lawsuits were filed against her and she is now facing foreclosure on her home.

Source: Lydia Milne, civil legal aid attorney (name of debtor has been changed).

Exemption laws also deter predatory lending. Creditors are less likely to make unaffordable loans if they know they will have to rely on the consumer's ability to repay the debt, not on seizure of the consumer's essential property.¹

The extent to which states protect consumers' income and assets from seizure by creditors is particularly important since communities of color are disproportionately burdened by debt,² disproportionately subject to collection lawsuits,³ and disproportionately subject to wage garnishment.⁴ Weak exemption laws build on, and exacerbate, the racial wealth gap.

Despite the importance of state exemption laws, states vary widely in the income and property they protect from seizure by creditors. In the majority of states there are enormous gaps in these protections, allowing creditors to push consumers and their families into financial

hopelessness. The gaps in exemption laws also give debt collectors enormous leverage. By threatening to take a debtor's essential personal property, such as the family car or household goods, a debt collector may persuade a debtor to use the rent money to pay an old credit card bill that ought to be a much lower priority.

Exemption laws are primarily an area of state authority. Federal law requires states to protect at least a certain amount of a debtor's wages from creditors: 75% of wages or

30 times the federal minimum wage (currently \$7.25 an hour) per week. In addition, federal bankruptcy law provides its own set of exemptions for debtors who file bankruptcy. However, states are allowed to opt out and replace the federal exemptions with their own, and many have done so. Moreover, since only a small percentage of consumers in financial distress file for bankruptcy,⁵ most distressed consumers depend on state exemptions for their protection. Accordingly, this report focuses on the laws that apply to debtors who do not file bankruptcy.

This report surveys the exemption laws of the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. It points out exemption laws in particular jurisdictions that cry out for improvement. The National Consumer Law Center's (NCLC) *Model Family Financial Protection Act*⁶ provides suggested language for states to improve their exemption laws. A full analysis of state exemption laws and their interpretation can be found in National Consumer Law Center, *Collection Actions* (4th ed. 2017), updated at www.nclc.org/library.

How State Exemption Laws Work

Exemption laws come into play when a creditor goes to court and wins a judgment against a consumer. A judgment is a decision from the court that the consumer owes a specific sum of money. The creditor can then take steps to seize the consumer's wages or property to pay the debt. Typically, the creditor asks the court or an official, such as a sheriff, to seize property, order the consumer's employer to withhold a portion of the consumer's wages, or order a bank to pay the consumer's funds to the creditor. The creditor can also place a "judgment lien" on the consumer's real estate and then foreclose on that lien, forcing sale of the home.

The state's exemption laws specify how much of the consumer's wages and property the creditor can seize and how much it cannot seize. In a few states, these exemptions, or some of them, are self-executing: the debtor does not have to act affirmatively to protect the property that is exempt. However, in many states, the exemptions are not self-executing. The property will not be protected unless the debtor takes various procedural steps—typically, filing papers in court or attending hearings—to claim the exemptions. These steps are often daunting for consumers, who are typically left to navigate the judicial system on their own without attorneys.

Glossary

As used in this report, these terms have the following meanings:

Exemption law: A law that protects a debtor's property from seizure to pay a debt owed to a judgment creditor.

Garnishment: An order requiring a party who is holding an asset belonging to a debtor to turn the asset over to a judgment creditor. A *wage garnishment* orders the debtor's employer to pay a portion of the debtor's wages to a judgment creditor. A *bank account garnishment* orders a bank to turn the money in the debtor's bank account over to a judgment creditor.

Judgment or money judgment: A decision from a court in a civil case that a debtor owes a specific sum of money to a creditor. The debtor is then termed a *judgment debtor*, and the creditor is a *judgment creditor*.

How the States Rate

To achieve the purposes of state exemption laws to preserve the ability of debtors to continue working and being productive members of society and protecting them and their families from destitution, a state exemption law should:

Not one state exemption law meets all five of the criteria that would keep a debtor's family from destitution and allow the debtor to continue working as a productive member of society. The worst? Florida, Kentucky, Michigan, New Jersey, and Utah.

- Prevent debt collectors from seizing so much of the debtor's wages that the debtor is pushed below a living wage—a wage that can meet basic needs and maintain a safe, decent standard of living within the community;
- Allow the debtor to keep a used car of at least average value;
- Preserve the family's home—at least a median-value home;
- Preserve a basic amount in a bank account so that the debtor's funds to pay such essential costs as upcoming rent, utilities, and commuting expenses are not cleaned out; and
- Prevent seizure and sale of the debtor's necessary household goods.

Not one state meets all five of these criteria. Massachusetts, which modernized its archaic exemption laws in 2011, and Nevada come closest, and rate a high “B” grade. The District of Columbia, Puerto Rico, and Texas rate solid “B” grades, and New York, Oklahoma, South Carolina rate very low “B” grades. Texas would rate an “A” grade except for its failure to provide any protection for the debtor's bank account. In the early days of statehood, Texas was a leader in protecting debtors from oppression,⁷ and this history continues in its strong protection of debtors' homes and wages from seizure by creditors.

At the opposite end of the scale are several states whose exemption laws reflect indifference to struggling debtors. These states allow debt collectors to seize nearly everything a debtor owns, even the minimal items necessary for the debtor to continue working and providing for a family. Georgia, Kentucky, Michigan, New Jersey, and Utah are the worst and rate an “F.”

Many State Exemption Laws Are Archaic and Outdated

In some states, the inadequacy of the state exemption laws simply reflects a failure to update them. Since state exemption laws are so important in protecting debtors from poverty, one would expect that states would key exemption laws to inflation or update them frequently. Some states do, but in a number of states, exemption laws reflect the horse-and-buggy era.

For example, Pennsylvania protects clothing, Bibles, school books, sewing machines that are not held for resale, military uniforms and accoutrements, and a whopping \$300 of other property.⁸ There is no protection for household goods beyond \$300. Creditors can clean out a consumer's home, taking virtually everything. Nor is there any protection besides this \$300 for the home itself, the consumer's car, or work tools. This indifference to debtors and their families is balanced out to some extent by Pennsylvania's refusal

to allow creditors to seize any portion of a debtor’s wages, but even that protection has been watered down by exceptions in recent years.

New Jersey provides a total of only \$2,000 in exemptions for the debtor’s home, household goods, car, work tools, and all other personal property.⁹ Delaware protects bank accounts and a sewing machine owned and used by a seamstress, but only \$50 to \$75 of tools of the debtor’s trade and \$500 in other property unless the debtor files bankruptcy.¹⁰ Michigan protects five swine, two cows, and five roosters, but provides only \$3,500 in protection for the family home—just 2% of the median value of a home in the state.

Because of inflation and changes in society, exemption laws can become irrelevant simply due to the passage of time. States can reduce the erosion of these critical protections by building in automatic inflation adjustments. Alaska is an example: the dollar amounts in its exemption law are adjusted by statute every second year to reflect changes in the Consumer Price Index. Laws in Alabama, Alaska, California, Indiana, Minnesota, Nebraska, Ohio, and South Carolina also provide for automatic inflation adjustments. New York adjusts a few of its dollar amounts automatically for inflation. It is surprising that more states have not adopted this simple, yet fair and effective approach.¹¹

A simple, yet fair and effective approach to keep exemptions updated would be for states to build automatic inflation adjustments into exemption laws.

Methodology

The specific criteria for our ratings of the states are set forth in the sections discussing each category: wages, a median-priced home, the family car, a basic amount in a bank account, and necessary household goods. Each section includes a state-by-state map, with details in Appendices A through E. Appendix G consists of state-by-state summaries of the exemptions addressed by this report. More details about the states’ exemption laws can be found in National Consumer Law Center, *Collection Actions* Appx. G (4th ed. 2017), updated at www.nclc.org/library.

Some states allow married debtors to “stack” their exemptions. For example, if a state allowed a \$2,000 exemption for a car, each spouse might be able to exempt that amount and save a car worth \$4,000. The figures in this report are based on the individual exemption amounts unless otherwise stated.

Some states provide higher exemption amounts for debtors who are elderly or disabled. In this report we have not used these higher amounts. When states provide a higher exemption amount for a person who is the head of a family, however, we have used that amount in our ratings. A few states also provide small increases in their protection of wages or property when the debtor has dependent children. In those states, we have assumed that the debtor has two children.

When there are ambiguities in state exemption laws, we have interpreted them in favor of a broader rather than a narrower exemption. This approach is in line with the general principle that state exemption laws are to be interpreted liberally in favor of the debtor.¹²

But it also means that, even in states that we rate highly, the exemption law may need improvements to make it clear that the broader reading is correct.

We have revised and refined our rating criteria substantially since the publication of our 2013 report *No Fresh Start: How States Let Debt Collectors Push Families into Poverty*. For example, instead of rating all states' protection of the family home by a single standard, this report bases the rating on the extent to which the state protects a median-priced home in the particular state. We have also revised our standards for rating states that provide a "wildcard" exemption that the debtor can use to protect a variety of types of property. Since different debtors will choose to apply the wildcard exemption in different ways, it is hard to compare the level of protection that a state provides for a particular type of property. We have therefore assumed that a debtor will apply the wildcard first to protect a family car, then to protect a basic amount in a bank account, and then, if any of the wildcard is left, to protect household goods. This approach standardizes the treatment of the wildcard and avoids double-counting it.

More details about our rating criteria, including other changes from the 2013 criteria, are found in Appendix F. In light of the differences in the rating criteria, the ratings for states in this report should not be compared to the ratings in our 2013 report.

PROTECTION FOR WAGES: CAN A CREDITOR REDUCE A DEBTOR TO BELOW THE POVERTY LEVEL?

Federal law protects just \$217.50 a week of a wage earner's paycheck from garnishment, placing a single person below the federal poverty level. For a family of four, \$217.50 per week is less than half of the federal poverty guideline. Yet only nine jurisdictions protect even a poverty-level wage for a family of four, and 15 jurisdictions do not go beyond the federal minimum at all.

Protection of wages is one of the most important roles of exemption laws. When creditors garnish a consumer's wages, the employer is required to take the money from the consumer's paycheck and send it to the creditor. The consumer never sees that money and cannot use it to pay higher-priority obligations such as rent, food, and child care. Instead, the money goes to pay old credit card debts, written-off medical bills, or the amount still owed after a car was repossessed and sold.

Wage garnishment can doom a family's efforts to stay afloat. In most states, an employer is even permitted to fire a worker whose wages are garnished for more than one debt.¹³

Since 1970, federal law has protected 75% of a wage earner's paycheck or 30 times the federal minimum wage, whichever is greater. This means that wage garnishment will not reduce a debtor's paycheck below \$217.50 (thirty times the current minimum wage of \$7.25 an hour). But a weekly paycheck of \$217.50 places even a single individual who has no dependents below the federal poverty level.¹⁴

For a family of four, \$217.50 per week is *less than half* of the federal poverty guideline (\$495.19).¹⁵

Federal law gives states the option of protecting a larger portion of a debtor's paycheck if they choose.¹⁶ Yet only nine jurisdictions protect even a poverty-level wage for a family of four, and 15 jurisdictions do not go beyond the federal minimum at all.

Four states ban wage garnishment entirely for typical consumer debts:

- North Carolina
- Pennsylvania
- South Carolina
- Texas

A number of other states protect more of a worker's wages than the minimum required by federal law. Five of these jurisdictions—Alaska, the District of Columbia, Florida, Massachusetts, and Wisconsin—protect enough of a worker's wages so that wage garnishment will not push a wage earner's paycheck below the federal poverty level of \$495.19 per week for a family of four. While the federal poverty level is a very low benchmark, and should not be the goal for states, these states at least keep families from falling that low.

Eleven states—California, Colorado, Connecticut, Illinois, Maine, Nevada, New Hampshire, New York, South Dakota, Washington, and West Virginia—prevent wage garnishment from reducing the debtor's paycheck to less than \$350 a week. Some of these states

Teacher's Aide Sandbagged by Wage Garnishment and Bank Account Seizure: Maryland

Anna is a teacher's aide in Maryland. In 2014, the condo association where she lived claimed that she had fallen behind on payment of monthly dues, and she signed an agreement to catch up. Nine months later, the condo association sued her. Based on a clause in the agreement she had signed, the condo association's lawyer filed this suit and obtained a judgment for the debt without ever notifying Anna of the suit, the judgment, or a 30-day window to challenge it—a tactic that Anna's lawyer is challenging as illegal under Maryland law.

In September, 2015, shortly after obtaining the judgment, the condo association issued writs of garnishment against both Anna's wages and her bank account, enabling it to seize almost all of the money in her bank account and requiring her employer to withhold a substantial portion of her wages going forward—again without any notice to Anna. She

learned of these seizures when she went to her bank to withdraw money to pay her bills.

Anna could not make her mortgage payment and for two years was at risk of foreclosure. She could not pay her utility bills, and her electricity was turned off for a week. She incurred late fees on other accounts and had additional judgments entered against her. She was forced to sell her jewelry and other sentimental family items just to stay afloat. Her credit record was damaged, she missed work, and she suffered the humiliation of having her employer know that there was a judgment against her. She lost weight and began to lose hair because of anxiety, and her depression became so crippling that she was unable to leave her house. The condo association had seized \$400 more than Anna owed, yet has refused to return the excess.

Source: Attorney Richard S. Gordon (name of debtor has been changed).

do so by using a state minimum wage¹⁷ rather than the federal minimum wage in their calculation of the exempt amount. Others specify that the protected amount is to be determined by multiplying the minimum wage by 40 or 50 instead of 30.

Eighteen jurisdictions—Arizona, Delaware, Hawaii, Indiana, Iowa, Minnesota, Missouri, Nebraska, New Jersey, New Mexico, North Dakota, Oklahoma, Oregon, Rhode Island, Tennessee, Vermont, Virginia, and the Virgin Islands—do not even protect \$350 a week, but still protect more of a worker’s wages than the minimum required by federal law in some way. Some of these states provide protections that are only slightly better than the federal minimum. For example, they may add a small additional protected amount for each of the debtor’s dependents. Others protect a higher percentage of the worker’s paycheck than the 75% protected by federal law. Some allow a judge to reduce the garnishment if the debtor proves that it is causing hardship or if the debtor is or was recently receiving public assistance. These additional protections are welcome news for struggling debtors. However, these states *do not* protect a living wage, or even ensure that garnishment will not push a debtor’s wages below the poverty level for a family of four.

Fifteen jurisdictions—Alabama, Arkansas, Georgia, Idaho, Kansas, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Montana, Ohio, Puerto Rico, Utah, and Wyoming—protect no more of a worker’s wages than the federal minimum: \$217.50 a week, less than half the poverty level for a family of four.

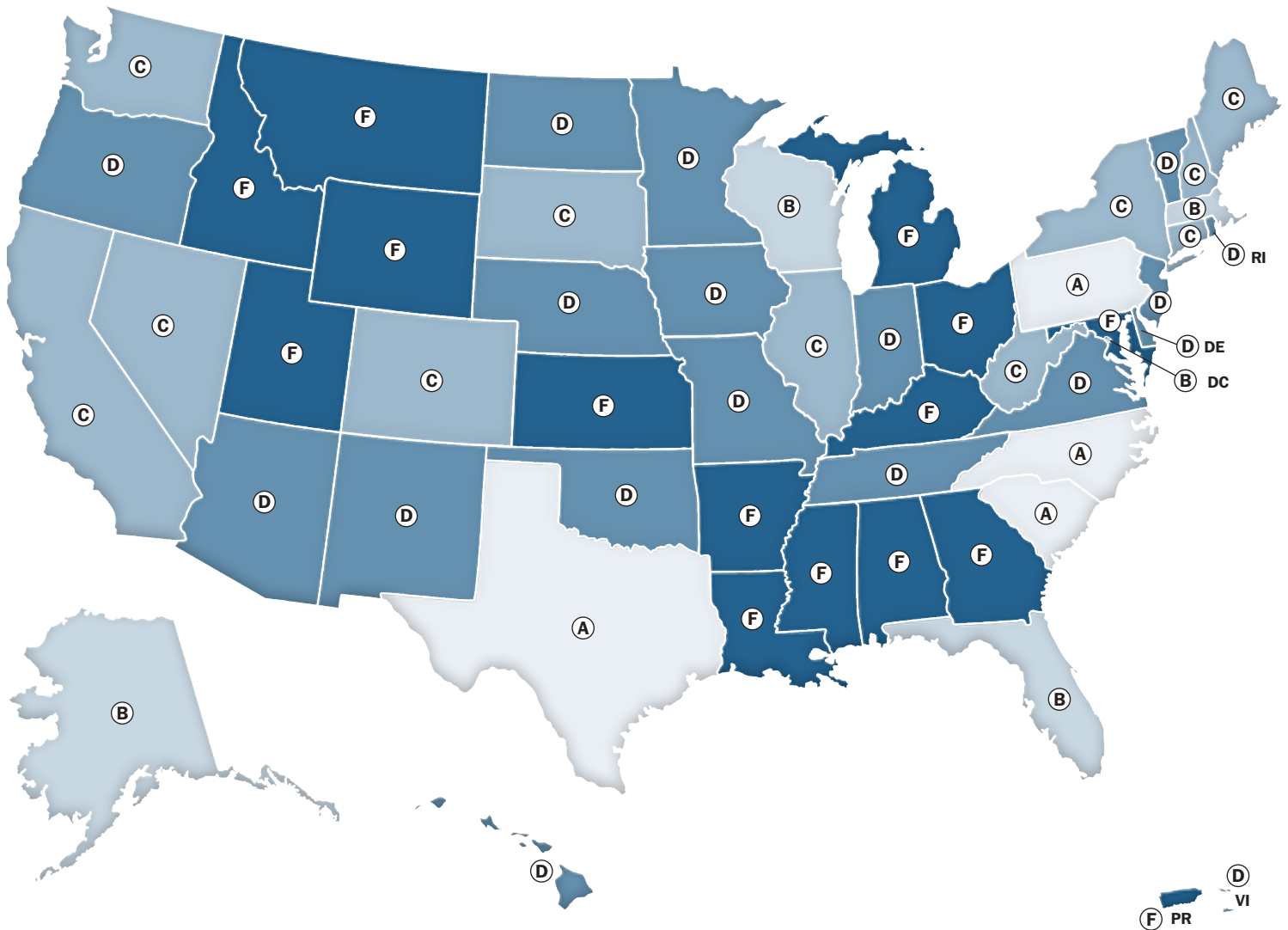
NCLC’s *Model Family Financial Protection Act* protects 80 times the federal or state minimum wage.¹⁸ If the debtor nets more than that amount but no more than \$1,200 a week (the approximate equivalent of \$70,000 a year in gross wages), 10% of the excess amount can be garnished. If the debtor earns more than that, 15% can be garnished. The model law thus allows creditors to make use of wage garnishment, but it protects a debtor from a disastrous reduction in the income necessary to meet daily expenses. The model law would also guarantee that garnishment would never push a debtor’s weekly paycheck below \$580 (eighty times the federal minimum wage of \$7.25 an hour)—hardly a lavish income but at least above the poverty level.

For retirees, some states protect the full amount of certain retirement benefits.¹⁹ Such a policy makes sense since retirement benefits must last the rest of a retiree’s life. But protecting the earnings of workers before they retire is equally important. If wage garnishment pushes workers below a living wage, they cannot save for retirement so the protection for retirement benefits will be no help.

States should also be alert to ways in which creditors evade protections for consumers’ wages. For example, payday lenders have the borrower authorize an electronic debit or write a post-dated check, payable on the borrower’s next payday, for the amount due on the loan. This is a back-door method of seizing the borrower’s wages, without a court order and without regard to state and federal limits on wage garnishment.

Another growing issue is whether wages retain their exemption after deposit in a bank account. Failing to protect wages after deposit in a bank account would enable creditors to evade the protection of the consumer’s wages by going directly to the bank account and cleaning it out. This danger is increasing as more and more employers use direct

STATE PROTECTION OF WAGES



- A** States that ban wage garnishment for most debts
- B** States that protect enough wages so that paycheck does not drop below the poverty level
- C** States that protect at least \$350 per week
- D** States that preserve more of a worker's wages than the minimum required by federal law
- F** States that protect only the federal minimum

deposit to pay their workers. Whether states protect wages after deposit—or, better yet, provide a general protection for a basic amount in a bank account—is discussed in the section about protection for bank accounts (see page 22).

PROTECTING THE FAMILY HOME FROM CREDITORS

Protection of the family home from creditors is one of the fundamental purposes of exemption laws. Loss of a home means loss of support networks. It can also mean loss of a job if the family cannot find replacement housing within commuting distance. For

Judgment Liens Nearly Scuttle Homeowner's Attempt to Avoid Foreclosure: New York

Marie is an 84-year-old woman in Queens living on a fixed income from her pension and Social Security. She had lived in her home for almost 30 years when she applied for a reverse mortgage and learned for the first time that there were liens on her house totaling more than \$11,000. The liens were from judgments obtained seven years earlier in cases in which she was never served with any court papers. She ended up having to pay off the liens, which had accrued substantial interest, with proceeds from her reverse mortgage. These liens nearly made it impossible for her to close on the reverse mortgage (she was very close to not having enough equity), which would have likely resulted in her losing her home in foreclosure.

Source: Adrienne Warrell, civil legal aid attorney (name of debtor has been changed).

a farm family, loss of the home means loss of their source of support. Loss of the family home is particularly hard on children, as it often means that they must change schools and leave friends and relatives behind. The mere existence of a judgment lien—the first step toward seizing a home—can prevent a consumer from refinancing the home or financing repairs to it.

Some states protect the debtor's home regardless of its value, usually with a limit on acreage, such as a half-acre in an urban area or 160 acres in a rural area. This approach most clearly recognizes the importance of the home. However, this approach has engendered controversy because of occasional attempts by wealthy individuals to shield all their assets from creditors by moving to one of these states and investing all their assets in an exempt home.

While these cases are exceedingly rare,

they may have made states reluctant to adopt uncapped homestead exemptions, and the *Model Family Financial Protection Act* provides a homestead exemption tied to the median home price in the area.

Nine jurisdictions protect the family home regardless of value: Arkansas (if the debtor is the head of the household), District of Columbia (if the debtor is the head of the household), Florida, Iowa, Kansas, Oklahoma, Puerto Rico, South Dakota, and Texas. All of these jurisdictions except the District of Columbia and Puerto Rico place limits on the number of acres that the exempt homestead can include. Seven other jurisdictions—Massachusetts, Minnesota, Montana, Nevada, Ohio, Rhode Island, and the Virgin Islands—have a dollar cap on the amount of the homestead exemption, but the cap is

high enough so that a median-priced home in that state is exempt. Rhode Island falls in this category solely because of the dollar amount its statute protects. The statute has an enormous gap in that it does not apply at all when the debt is owed to a bank, another federally-insured deposit-taking institution, or a variety of financial services providers licensed in the state.²⁰

No states protect between 75% and 100% of the median value of a home in their state. Five states—Arizona, Maine, Mississippi, North Dakota, and Vermont—have homestead exemptions that are sufficient to protect between 50% and 75% of the current median value of a home in the state. These laws are sufficient only to protect a very modest home, if that. They may also protect a home that is still encumbered with a substantial mortgage. Ten states—Alaska, Connecticut, Idaho, Nebraska, New Hampshire, New Mexico, New York, South Carolina, Wisconsin, and Washington—protect between 25% and 50%.

The remaining 21 jurisdictions—Alabama, California, Colorado, Delaware, Georgia, Hawaii, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Missouri, New Jersey, North Carolina, Oregon, Pennsylvania, Tennessee, Utah, Virginia, West Virginia, and Wyoming—provide even lower homestead exemptions—less than 25% of the median home value in their state. These exemption amounts are so small that they are likely to save only a heavily mortgaged home.

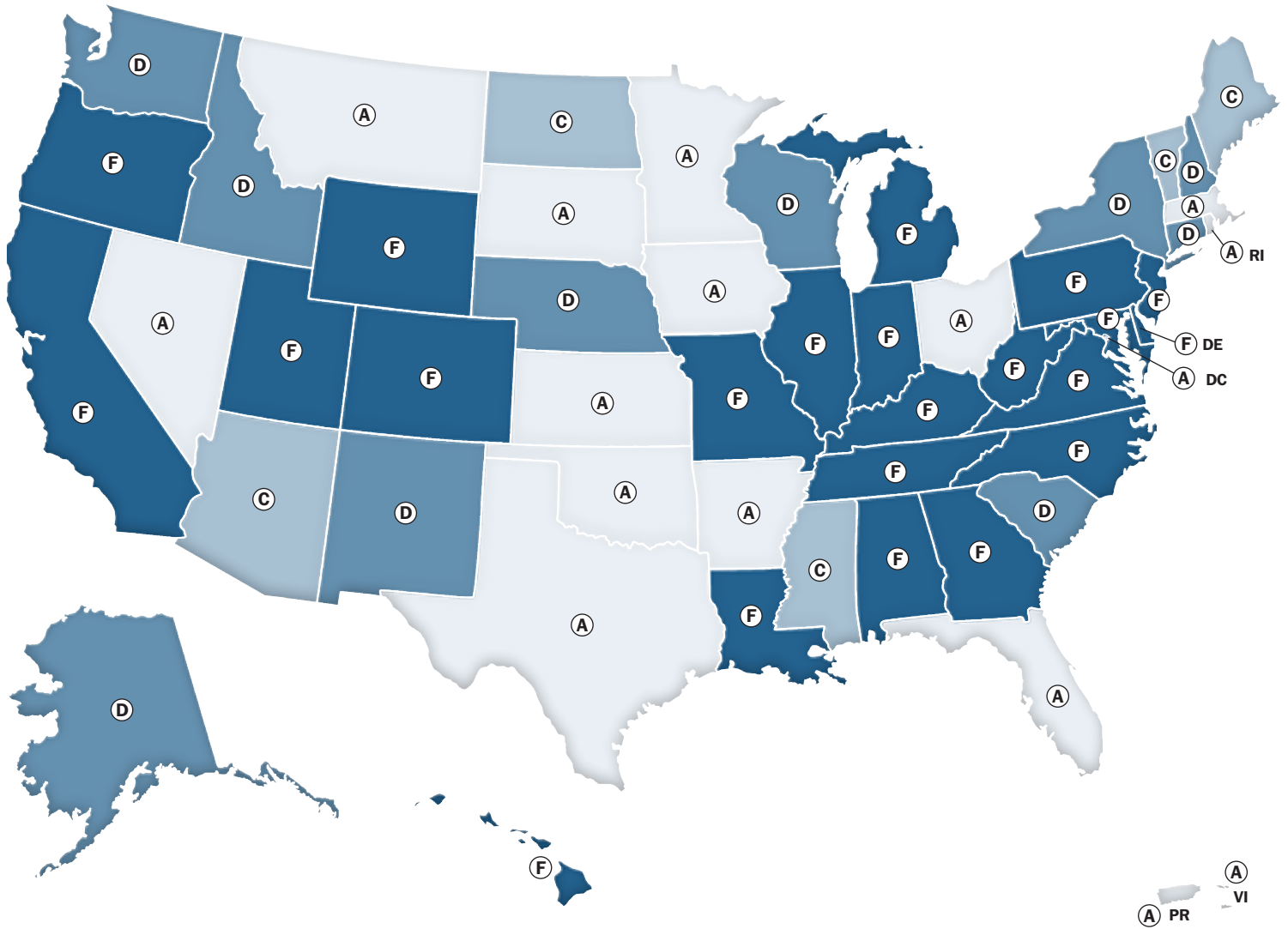
Delaware, Kentucky, Maryland, Michigan, New Jersey, Pennsylvania, Virginia, and West Virginia provide no realistic protection at all for the family home.

Eight of this final group of states—Delaware, Kentucky, Maryland, Michigan, New Jersey, Pennsylvania, Virginia, and West Virginia—provide no realistic protection at all for the family home. Pennsylvania, for example, provides a wildcard exemption of just \$300. The debtor can apply this exemption to a car, household goods, a home, or other property. Delaware allows the head of a household to apply a \$500 wildcard exemption to the family home. Only if the debtor files bankruptcy is a realistic homestead exemption (\$125,000) available, but even that is less than half the median home value in the state. New Jersey provides no exemption at all that can be applied to a home. Maryland provides a \$6,000 homestead exemption; Virginia allows \$5,000 plus \$500 per dependent; Kentucky and West Virginia allow \$5,000; and Michigan's exemption is just \$3,500.

Whether a home is exempt typically depends on whether the debtor's equity in it is less than the exemption amount. As a result, a home with a large mortgage debt may be exempt even if the home's market value would exceed the exemption amount. The reason is that, if the creditor forced the sale of a mortgaged home, the proceeds would go first to pay off the mortgage debt and only the amount left after that would go toward the creditor's debt. As a result, elders who have lived in a home a long time and have paid down their mortgages are particularly likely to face loss of their homes in states that have low homestead exemptions.

Some states allow a married couple to "stack" the exemptions summarized in this section. For example, Alabama allows each of two spouses to claim the state's \$ 15,000 homestead exemption. In addition, some states—even some states that provide little or

PROTECTION OF THE FAMILY HOME



- A** States that protect the family home regardless of value, or that protect a median-priced home in the state
- B** States that protect a home worth 75% to 99% of state median price (no states fall into this category)
- C** States that protect a home worth 50% to 74% of state median price
- D** States that protect a home worth 25% to 49% of state median price
- F** States that provide little or no protection for the family home

no other protection for the home—recognize a doctrine called “tenancy by the entirety” under which a home owned by a married couple cannot be subjected to a forced sale by a creditor unless both spouses owe the debt. This legal doctrine protects some homes, but it has limited application since often both spouses owe the debt. In addition, it provides no protection at all to widows, widowers, and divorced or single parents—who may be most in need of protection.

Exempting the family home does not leave the creditor empty-handed. Typically, homestead exemption laws are structured so that a judgment creditor can place a lien on the family home, but they forbid foreclosure on that lien. When the family sells the home, the creditor can take any proceeds that exceed the exempt amount. The creditor can even take the exempt amount if the debtor does not use it to buy a new home. Alternatively, if the home is not sold while the judgment debtor is alive, the creditor is paid when the homeowners die.

THE FAMILY CAR: CAN A DEBTOR CONTINUE TO GET TO WORK?

For many workers, a car is essential to employment. Many wage earners have to work substantial distances from their homes or on evenings and weekends when public transportation shuts down. Even those whose jobs are near public transportation may be unable to work unless they have a car to take children to and from daycare.

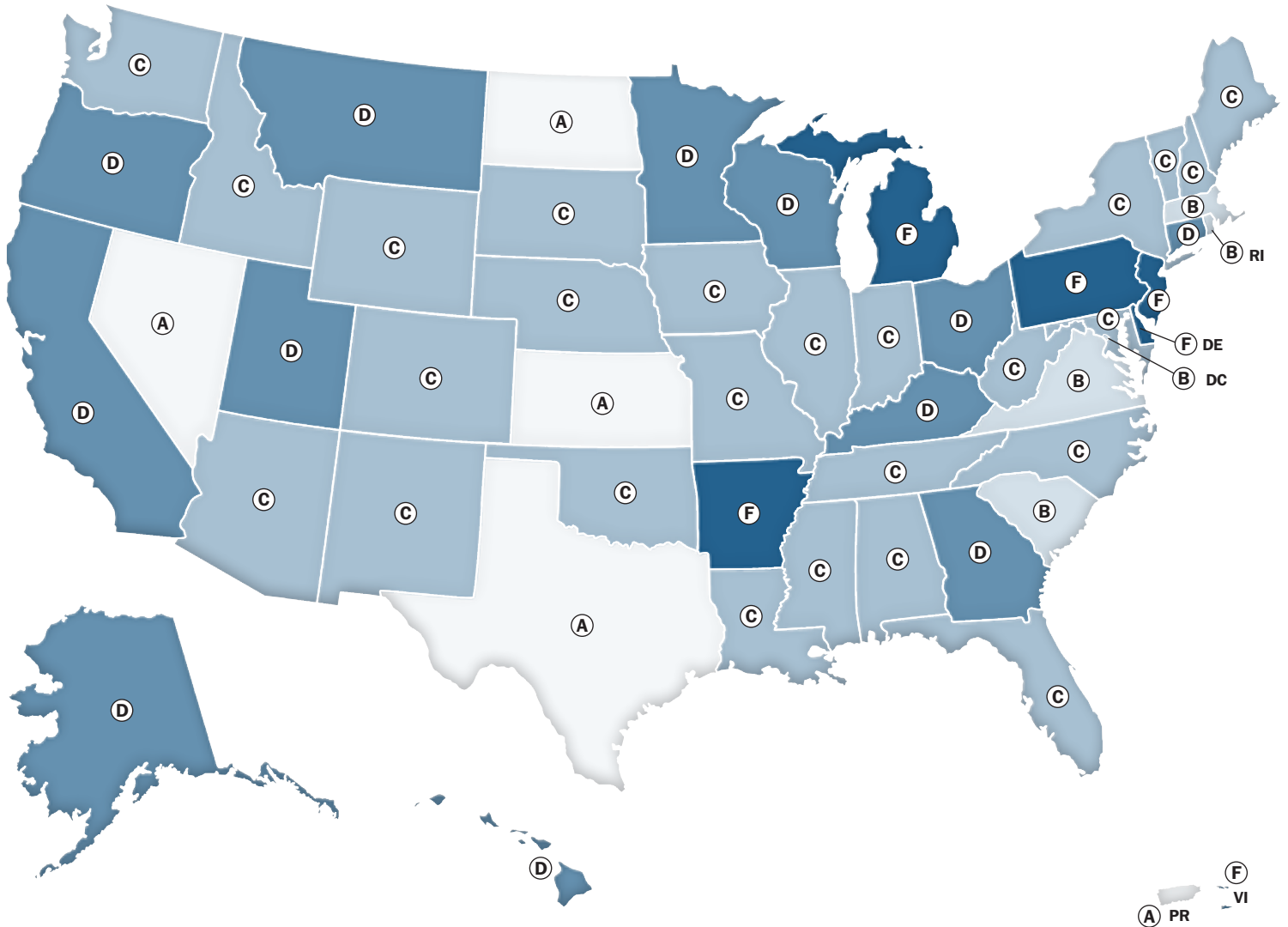
Loss of a car can place a family on a downward trajectory that leads to job loss and a cascade of unpaid utility bills, unpaid rent, deferred medical care, and even homelessness. The effect of allowing creditors to seize the family car has wide ramifications, hurting not just the consumer and the consumer’s family but also the consumer’s landlord, the local utility provider, and other creditors that the consumer would like to pay.

NCLC’s *Model Family Financial Protection Act* gives a debtor a \$15,000 exemption for a car. This is considerably less than the average retail price for a used vehicle, which is now \$20,664.²¹ However, since that average is based on all vehicles, reducing it to \$15,000 is reasonable as a way of approximating the average price for a low- or mid-priced vehicle that a struggling debtor is more likely to be driving. We have therefore used \$15,000 as the standard for an “A” rating.

In states that provide “wildcard” exemptions, there are complexities in evaluating whether a state meets this standard. A wildcard is an exemption that is not earmarked for a particular category of property. Instead, the debtor has some choices about which property to apply it to. For example, Illinois provides a \$2,400 exemption for a car and a \$4,000 wildcard exemption, but no exemption for a bank account or household goods. A debtor could use the \$4,000 wildcard to increase the protection for the car to \$6,400, or to protect some household goods or a basic amount in a bank account.

Loss of a car can place a family on a downward trajectory that leads to job loss and a cascade of unpaid utility bills, unpaid rent, deferred medical care, and even homelessness.

PROTECTION OF THE FAMILY CAR



- A** States that protect a car worth \$15,000 or more
- B** States that protect a car worth between \$10,000 and \$14,999
- C** States that protect a car worth between \$5,000 and \$9,999
- D** States that protect a car worth between \$2,000 and \$4,999
- F** States that provide no realistic protection for the debtor's car

To treat these wildcards in a uniform way so that state-to-state comparisons are possible, in this report we are assuming that any wildcard is used first to increase the exemption for a car to as close to \$15,000 as possible. If there is any remaining amount, it is used to protect a small bank account, and then any remainder after that is used to protect household goods. (However, if the wildcard is at least \$3,000 and there is no other protection for a bank account or household goods, we have set aside \$1,000 of it for those purposes). If the state makes the wildcard available only to a debtor who does not claim a homestead exemption, this report treats it as available. Details and specifics about these protocols are found in Appendix F.

Only five jurisdictions—Kansas (\$20,000), Nevada (\$15,000), North Dakota (\$2,950 plus two wildcards), Puerto Rico (if the car is needed for work), and Texas (through use of a wildcard)—preserve a \$15,000 vehicle from seizure by creditors. Several states, such as Louisiana, Massachusetts, Minnesota, and North Dakota, protect a car worth \$15,000 or more, but only if the car is specially modified for use by a disabled person (or, in the case of Massachusetts, if the debtor is elderly).²²

Five other jurisdictions—the District of Columbia, Massachusetts, Rhode Island, South Carolina, and Virginia—allow a debtor to keep a \$10,000 car, either through a single earmarked exemption or through a combination of an earmarked exemption and the use of a wildcard.

Twenty-five states—Alabama, Arizona, Colorado, Florida, Idaho, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Mississippi, Missouri, Nebraska, New Hampshire, New Mexico, New York, North Carolina, Oklahoma, South Dakota, Tennessee, Vermont, Washington, West Virginia, and Wyoming—allow a debtor to keep a car worth between \$5,000 and \$9,999. Debtors in these states may be able to preserve a very low-value used car or a car on which they owe a lot of money.

Twelve states—Alaska, California, Connecticut, Georgia, Hawaii, Kentucky, Minnesota, Montana, Ohio, Oregon, Utah, and Wisconsin—only protect a car worth \$2000 to \$4999. And six states—Arkansas, Delaware, Michigan, New Jersey, Pennsylvania, and the Virgin Islands—provide no realistic protection for a family's car. In four of these states, an exemption of \$1,000 or less is all that is available to protect not just the debtor's car but also any other personal property the debtor owns, including household goods (and in the case of Pennsylvania the debtor's home as well): Arkansas (\$500), Delaware (\$500), New Jersey (\$1,000), and Pennsylvania (\$300). (Delaware protects a car worth up to \$15,000, but only if the debtor files bankruptcy.) Michigan offers a \$1,000 exemption, but only if the car is necessary to enable the debtor to work. In the Virgin Islands, there is no exemption that is available to protect a car.

In addition to protecting a car worth up to \$15,000, NCLC's *Model Family Financial Protection Act* provides a wildcard of \$10,000 that the debtor can use, if necessary, to exempt the remaining value of a car (or a low-value second car so that a second family member has transportation for work, school, or child care). It also increases the protection for the car to \$25,000 if the car is specially adapted because of a disability of the debtor or a

dependent. By allowing a debtor to retain a moderately-priced car, NCLC's Model Law enables debtors to remain productive members of society and support their families.

PROTECTING A BASIC AMOUNT IN A BANK ACCOUNT

Even if a state's exemption laws protect a debtor's wages, home, and car, a debtor needs

Debt Buyer Seizes 83-Year Old Woman's Life Savings: New York

Judy, an 83-year-old woman living in Brooklyn, receives Social Security retirement benefits and a pension totaling approximately \$9,000. Until it was seized by a creditor, she had a bank account containing her life's savings earned from careful budgeting over several decades while working in a factory. Though she never had a credit card, she was a victim of identity theft, and a debt buyer sued her for a credit card debt it had bought for pennies on the dollar. The debt buyer obtained a default judgment after claiming it had served her at an address at which she has never lived. Fifteen years after obtaining the default judgment, the debt buyer seized the entirety of her life's savings. She later obtained legal representation and a judge ordered the debt buyer to return Judy's money, but the company refused and even filed for bankruptcy in an effort to avoid having to return Judy's money. Two years later, she has gotten less than half of her money back.

Judy needs her savings to pay for medical expenses that Medicare does not cover. She has an adult son with special needs for whom she wants to provide after she passes away.

Source: Evan Denerstein, civil legal aid attorney (name of debtor has been changed).

access to a basic amount of cash to commute to work, buy groceries, and make the upcoming rent or mortgage payment or the next payment on the family car. A debtor who is left without cash may also be unable to pay for transportation, daycare, utility service, and other necessities, not to mention emergency expenses such as car repairs.

Every state gives a creditor the right to seize funds in a bank account in the debtor's name once the creditor has obtained a judgment from a court determining that the debtor owes a debt. Many states allow the creditor to clean out the account completely, protecting at most a few special types of accounts such as college savings accounts. Only a few states set a fixed amount that the creditor cannot touch.

Protecting bank accounts is particularly important in light of the growing use of direct deposit of wages. If a creditor can clean out the debtor's bank account, this can amount to seizure of 100% of the debtor's wages, in effect nullifying the federal and state limits on wage garnishment. Some state wage garnishment laws are interpreted to protect wages even after they are deposited in a bank

account, but typically these laws are not self-executing: the debtor must go to court and present evidence tracing the funds on deposit to specific wage deposits. This process can take weeks and will be daunting for many debtors. In the meantime, the account is frozen so the debtor cannot pay the rent, transportation, car payment, or mortgage payment, and any outstanding checks will bounce. The resulting overdraft fees that will be

imposed when the next paycheck is deposited is likely to undermine the debtor's ability to pay the next month's bills, creating a rapid downward spiral.

The same result can occur for day laborers and workers in the gig economy. In many states, their earnings are not protected by the wage garnishment laws. If those earnings are deposited into a bank account, the entire amount is vulnerable to seizure by a creditor.

The Importance of Self-Executing Protections

In 2010, a group of federal agencies led by the U.S. Treasury Department addressed a similar problem with respect to federal benefits, such as Social Security, that are direct-deposited into the beneficiary's bank account. Even though federal law makes Social Security and other similar federal benefits immune from garnishment for all purposes except child support, creditors were seizing those funds once they were deposited.²³ To reverse the seizure of the benefits, the beneficiary had to navigate the court system and prove the source of the funds, and in the meantime had no access to these essential benefits. In 2010, the Treasury Department adopted a rule that requires a bank that receives a garnishment order to determine whether the bank account contains electronically deposited exempt federal benefits. If it does, the bank must protect the last two months of deposits.²⁴

The beauty of the 2010 Treasury rule is that it is designed to be self-executing. The bank protects the funds. No action on the part of the beneficiary is necessary—the beneficiary does not have to file papers in court, attend court hearings, or present evidence about the source of the funds. And because the protection is self-executing, the account is not frozen while the beneficiary tries to navigate the judicial system. The approach of automatically protecting electronically deposited exempt benefits was pioneered by California and New York, which adopted similar laws prior to the Treasury Department rule.²⁵

The Treasury rule, while a great improvement, still has gaps. It protects only certain federal benefit payments and only two months of those payments. It does not protect state-paid benefits. Most critically, it does not protect wages that are deposited into bank accounts or any portion of a family's savings. However, it is a demonstration of the practicality and effectiveness of a self-executing protection for bank accounts, and a model for the states.

How the States Rate

Our analysis of states' protection of bank accounts is from the point of view of a debtor who is supporting a family and renting a home or apartment. When a family's bank account is cleaned out, that often means that the rent money is gone, as well as the money the family set aside for other monthly bills like utilities, daycare, and transportation.

Some states provide a targeted exemption for a bank account, while others provide a wildcard that can be used to protect a bank account. When a state takes the wildcard approach, we assume, for purposes of uniformity, that the debtor will apply the

wildcard first to the extent necessary to protect a car, and then, if possible, will protect a basic amount in a bank account. (See Appendices F and G for details). However, some states provide wildcards that can only be used for tangible personal property, not for a bank account, and some states provide no means at all to exempt a basic amount in a bank account.

Six jurisdictions—Delaware, Nevada, New York, North Dakota, South Carolina, and Wisconsin—protect at least \$3,000 in a bank account, through an earmarked exemption, a wildcard, or a ban on bank garnishments. (New York protects 240 times the state minimum wage, which varies depending on the size of the employer and the location within the state, with the result that the amount protected is \$2,664 to \$3,600). We give these states an “A” rating. As the median monthly rent for a two-bedroom apartment in the United States is about \$1,200,²⁶ preserving \$3,000 in a bank account could enable

a family to pay rent, plus at least some other essential expenses, for one month. However this is a very low standard, as the median rent in a metropolitan area can greatly exceed \$1,200 per month, and it is based on the monthly rental for a two-bedroom unit, which will be too small for many families. \$3,000 is less than half of the average monthly expenses for a family of four.²⁷ It is well below the monthly income HUD uses to define a “low income family,” and only a little above the income for a “very low income family.”²⁸ Bankrate.com recommends an emergency fund of 3 to 6 times a family’s monthly costs.²⁹

Two states—Alaska (\$2,970) and Massachusetts (\$2,500)—enable a debtor to preserve between \$2000 and \$2999 in a bank account and receive a “B” rating.

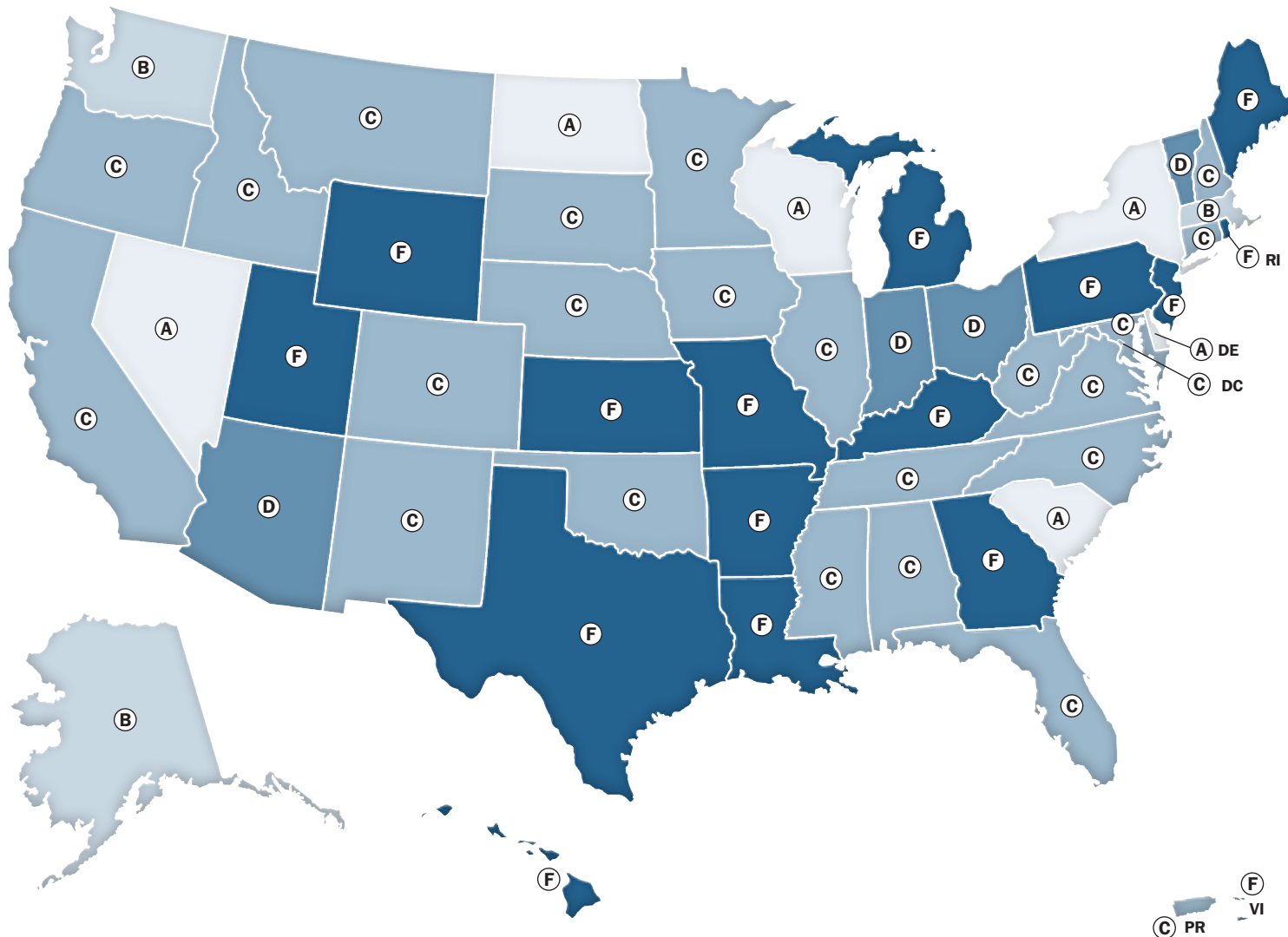
Fifteen jurisdictions—Alabama, Connecticut, the District of Columbia, Florida, Illinois, Maryland, Mississippi, New Hampshire, New Mexico, North Carolina, South Dakota, Tennessee, Virginia, Washington, and West Virginia—receive a “C” rating. These states protect between \$1,000 and \$1,999 in a bank account, usually because

of our assumption that a debtor would use an available wildcard for this purpose. Ten other jurisdictions—California, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, Oklahoma, Oregon, and Puerto Rico—also receive a “C” rating because they explicitly provide that wages remain exempt after deposit in a bank account. This is an important protection for wage earners’ bank accounts, but it can be very difficult for workers to claim and prove, and it will not protect funds from other sources, such as an emergency loan from a family member. Effective September 1, 2020, a new California law will greatly improve that state’s protection of consumers’ bank accounts, creating a self-executing protection for the first \$1,724 in an account.³⁰

Four states—Arizona, Indiana, Ohio, and Vermont—protect between \$300 and \$999 in a bank account and are rated “D.” The remaining 16 jurisdictions—Arkansas, Georgia, Hawaii, Kansas, Kentucky, Louisiana, Maine, Michigan, Missouri, New Jersey, Pennsylvania Rhode Island, Texas, Utah, the Virgin Islands, and Wyoming—rate an “F.” These

Arkansas, Georgia, Hawaii, Kansas, Kentucky, Louisiana, Maine, Michigan, Missouri, New Jersey, Pennsylvania Rhode Island, Texas, Utah, the Virgin Islands, and Wyoming rate an “F.” These states provide no means for a debtor to exempt any amount in a bank account, or protect only a few specialized types of accounts such as college tuition accounts.

PROTECTION OF FAMILY BANK ACCOUNTS



- A** States that protect \$3,000 or more in a bank account
- B** States that protect between \$2,000 and \$2,999 in a bank account
- C** States that protect between \$1,000 and \$1,999 in a bank account, or protect deposited wages
- D** States that protect between \$300 and \$999 in a bank account
- F** States that protect less than \$300 in a bank account

states provide no means for a debtor to exempt any amount in a bank account, or protect only a few specialized types of accounts such as college tuition accounts.

Exemptions like those in New York and Wisconsin (and the newly-enacted statute in California) that set a fixed amount that is exempt in a bank account are especially worthy of consideration by the states because they can be structured to be self-executing. The bank holding the account can potentially preserve the exempt amount without the need for action by the debtor, or can at least alert the debtor about the availability of this specific exemption.

STOPPING CREDITORS FROM THREATENING SEIZURE OF A DEBTOR'S HOUSEHOLD GOODS

Household goods usually have little resale value. Seizing them and selling them does little to pay off a debt. The costs of seizure and sale can even exceed the proceeds of the sale.

Yet, while the consumer's household goods are of little use to the creditor, they are of enormous value to the consumer. Without beds, tables, chairs, a stove, a refrigerator, and other furniture and appliances, debtors cannot maintain a household for themselves and their dependents.

The mere threat to take a consumer's household goods, even when the creditor rarely or never follows through, places tremendous pressure on families. The threat can induce consumers to pay old written-off credit card and other low-priority debts rather than high-priority obligations, such as rent and utility bills.

The strongest approach is to protect all of a consumer's necessary household goods and appliances. Seven jurisdictions—California, Connecticut, Hawaii, Kansas, New Mexico, Oklahoma, and Puerto Rico—follow this approach. Maine achieves a similar result by protecting all household goods and appliances as long as the value of any individual item does not exceed \$200. Maine also provides a wild card exemption that ranges, depending on the circumstances, from \$400 to \$6,000 that can be used to protect more expensive items such as appliances. New York and Louisiana marginally qualify in this category. Neither protects all household goods, but New York protects all household furniture plus a list of other items, including a stove and refrigerator, and Louisiana protects “all living room, bedroom, and dining room furniture” plus most major appliances.

A second approach that some states take is to allow the consumer to exempt household goods up to a dollar amount. Some states provide an exemption just for household goods, capping the aggregate dollar amount of household goods exempted and sometimes also placing a cap on the value of any individual item. Often a “wildcard”—an exemption that can be applied to protect items chosen by the debtor, up to a certain aggregate dollar amount—comes into play as well. While in this report we have assumed, for the sake of uniformity, that the debtor would apply any wildcard first to protect a car and a basic amount in a bank account (see Appendix F for details), and only

apply any remaining amount to protect household goods, debtors would have to make their own individual choices. Some states also provide a separate exemption for certain specified household items, such as beds or certain appliances, so in those states a general exemption for household goods or a wildcard exemption may stretch a little farther.

Of the jurisdictions that do not exempt all necessary household goods, five—Massachusetts, Nevada, Ohio, Texas, and Wisconsin—allow a debtor to keep at least \$12,000 of household goods, through an earmarked exemption, a wildcard, or a combination of the two.

Four jurisdictions—the District of Columbia, Minnesota, Rhode Island, and West Virginia—protect at least \$8,000 but less than \$12,000 of household goods. Twenty jurisdictions—Alaska, Arizona, Colorado, Idaho, Iowa, Kentucky, Missouri, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Oregon, South Carolina, Utah, Vermont, the Virgin Islands, Virginia, Washington, and Wyoming—protect only between \$2,000 and \$7,999 of household goods.

The remaining 14 jurisdictions—Alabama, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, Michigan, Mississippi, New Jersey, Pennsylvania, South Dakota, and Tennessee—protect virtually none of the debtor’s household goods. For example, Arkansas provides a \$200 exemption (\$500 if the debtor is married or the head of a household), which must cover all personal property. Delaware provides just a \$500 exemption for all personal property except work tools, clothing, and bedding. This shocking indifference to debtors and their families means that creditors can clean out a family’s home even though used household goods typically have little or no resale value.

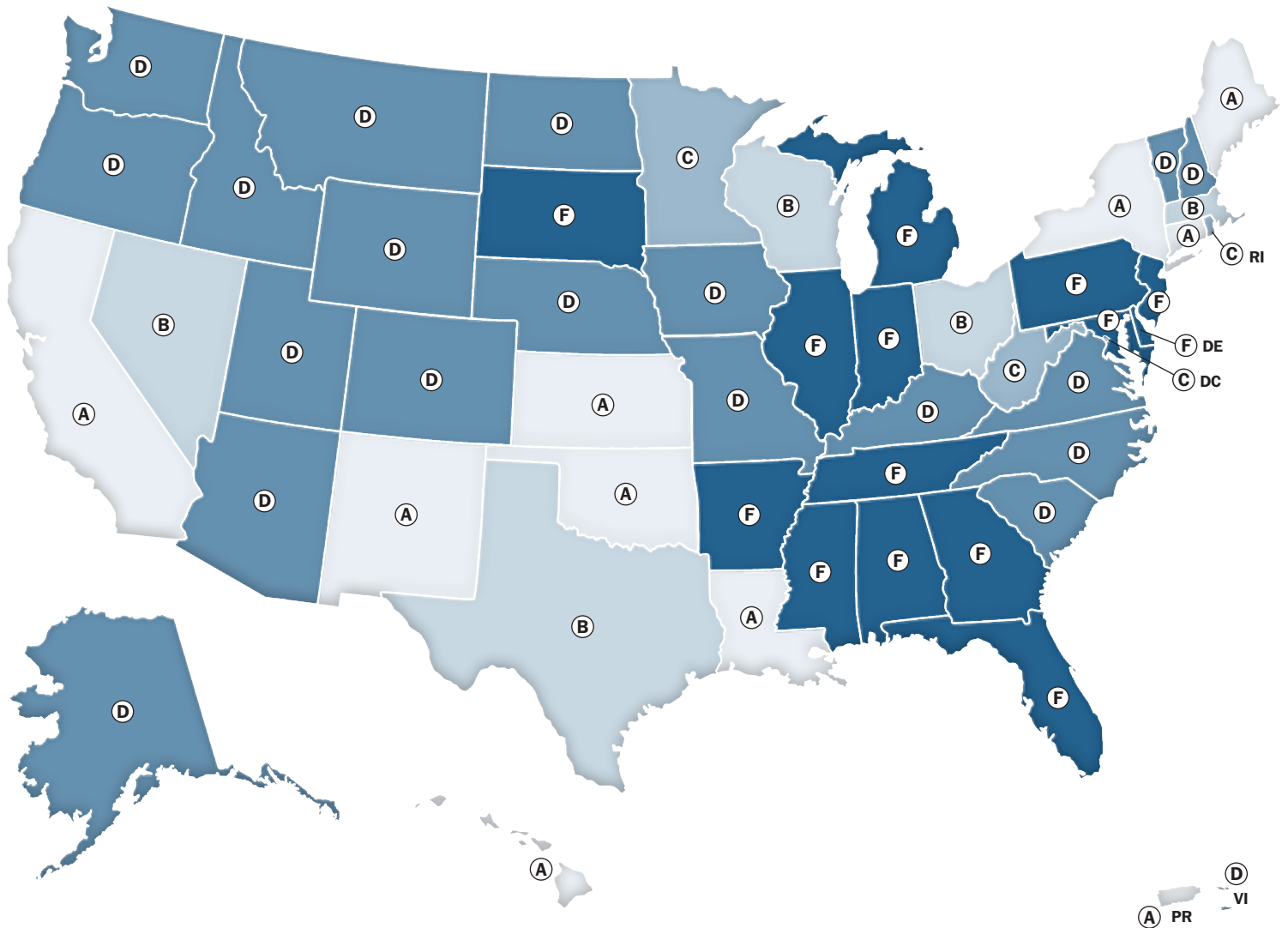
Alabama, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, Michigan, Mississippi, New Jersey, Pennsylvania, South Dakota, and Tennessee protect virtually none of the debtor’s household goods.

Some states allow a married couple to preserve jointly-owned personal property, such as household goods or a car, from creditors if only one of the two spouses owes the debt. This rule, called “tenancy by the entirety,” ameliorates the harshness of low household good exemptions in some states, but only in the case when only one of two spouses owes the debt. It provides no help to widows, widowers, divorced parents, or single individuals.

NCLC’s *Model Family Financial Protection Act* protects all the debtor’s household goods, but allows the creditor to ask a court to allow sale of any item worth more than \$3,000. This approach ensures that a family will not be stripped of essential items needed for daily life, yet at the same time does not protect high-cost luxury items.

States should also take care to prevent creditors from evading state restrictions on seizure of household goods. The primary way that creditors evade these restrictions is by having the borrower put up household goods as collateral for a loan.³¹ Then, if the borrower defaults, the creditor has the right to seize the household goods, even if state exemption law protects them. The FTC Credit Practices Rule³² prohibits lenders from taking certain household goods as collateral (unless the credit is extended to purchase those household goods), but leaves a large number of household goods unprotected.³³

PROTECTION OF FAMILY HOUSEHOLD GOODS



- A** States that protect all necessary household goods
- B** States that protect household goods worth \$12,000 or more
- C** States that protect household goods worth between \$8,000 and \$11,999
- D** States that protect household goods worth between \$2,000 and \$7,999
- F** States that protect less than \$2,000 in household goods

Some states' lending laws also place some restrictions on this practice, but these restrictions usually apply only to certain lenders and certain loan amounts.³⁴

OTHER IMPORTANT EXEMPTIONS

Pensions—Protecting Retirees from Destitution

Just as states must protect wages in order to save working families from destitution, they must also protect retirement income. Retirees typically have fewer options than younger adults. Too old or frail to rejoin the workforce, their retirement funds must cover not just housing costs, food, transportation, and utilities but also growing expenses for home care, medications, and adaptive equipment. The money in a retirement fund may seem like an attractive target for a creditor, but the fund must last the rest of the retiree's life.

The great majority of jurisdictions protect retirement funds to some extent. However, some states protect just certain pensions or certain types of retirement vehicles. Some place a dollar cap on the amount protected. Others limit the protection to an amount necessary for support, which invites creditors to try to persuade a court to reduce an elderly debtor to penury.

NCLC's *Model Family Financial Protection Act* treats all pensions and retirement funds equally. Given current life expectancies and the magnitude of potential medical and home care expenses, the Model Law protects \$1,500,000 of retirement funds for the debtor, and \$1,500,000 for each of the debtor's dependents except to the extent they have other means of support.

Work Tools

Many debtors—from skilled craftsmen to farmers and orchard workers—require specialized tools and equipment in order to maintain productive employment. Other workers require computer equipment and programs in order to earn an income. It is counterproductive to allow creditors to seize and sell items that enable a debtor to be employed, support a family, and pay debts.

Many states provide a special exemption for tools of the trade, but states vary widely. Some offer no exemption or one as low as \$75, while others exempt \$10,000 or more in tools of the debtor's trade.³⁵

NCLC's *Model Family Financial Protection Act* provides that \$30,000 in tools of the trade, or \$50,000 in the case of farm tools, are exempt from seizure by creditors. So that unemployed debtors are not shut out of their field of employment, it allows a debtor who is searching for employment to claim the same tools of the trade as exempt.

SOME STATES ARE MAKING PROGRESS TOWARD MODERNIZING THEIR EXEMPTION LAWS

This report shows that no state's protection for struggling debtors meets five basic standards: not one state protects debtors from reduction of their wages below the poverty level and enables them to avoid seizure of a median-value home, an average-priced used car, a basic amount in a bank account, and their essential household goods.

Yet some states have made significant progress in recent years. **Alabama** raised its homestead exemption from \$5,000 to \$15,000³⁶—still far less than needed to protect even the most modest home, but possibly sufficient on occasion to protect one that is very heavily mortgaged. It also added an inflation adjustment provision,³⁷ so that its exemptions will not erode simply due to the passage of time.

California increased its protection for the debtor's paycheck. Formerly a little above the federal minimum, it now preserves 75% of disposable earnings or 40 times the state or local minimum wage. If the debtor earns more than 40 times the applicable minimum wage, garnishment is limited to 50% of the amount by which the paycheck exceeds that amount.³⁸ This revised protection is particularly notable because it takes into account higher minimum wages in high-cost local areas. Effective October 1, 2020, California will also provide a self-executing protection for the first \$1,724 (updated annually to reflect changes in the cost of living) in a bank account.³⁹

Colorado increased its protection for the debtor's earnings to 80% (instead of 75%) of disposable earnings or 40 (instead of 30) times the state or federal minimum wage.⁴⁰ It also increased its protection of the debtor's home from \$60,000 to \$75,000⁴¹—a particularly important improvement since homes in Colorado are well above the nationwide median value. It increased the exemption for a car from \$5,000 to \$7,500⁴² and the exemption for tools of the debtor's trade from \$20,000 to \$30,000.⁴³

The **District of Columbia** made a significant increase in its protection of the debtor's wages. It formerly protected only the federal minimum, but as of 2019, it protects 75% of disposable earnings or 40 times the local minimum wage, and includes a provision for hardship exceptions.⁴⁴ Using the local minimum wage for the calculation of the protected amount is particularly significant for debtors, since D.C.'s minimum wage is \$14.00⁴⁵—almost double the \$7.25 federal minimum wage.

Indiana amended its wage garnishment statute to allow a court to reduce wage garnishment to as low as 10% of the debtor's disposable earnings upon a showing of good cause.⁴⁶ Indiana's general rule is still no better than the federal minimum, but the good cause provision offers some relief to struggling families.

Maine improved its protection of the debtor's car, increasing the protection from \$5,000 to \$7,500.⁴⁷

Nebraska increased its exemption for the debtor's household goods from \$1,500 to \$3,000 and added a new \$5,000 exemption for the debtor's car.⁴⁸

Nevada increased its protection of the debtor's wages from 75% to 82% if the debtor's gross weekly wages are \$770 or less.⁴⁹ It also increased its protection of the debtor's retirement plan from \$500,000 to \$1,000,000.⁵⁰

North Dakota gives debtors two wildcard exemptions. One is \$7,500 (but just \$3,750 if the debtor is not the head of a family). The other is available only if the debtor does not claim a homestead exemption. The state increased this second exemption from \$7,500 to \$10,000.⁵¹

Texas provides a wildcard exemption that is intended to cover all of the debtor's personal property, including a car, household goods, work tools, and clothing. It increased the amount of this exemption from \$60,000 to \$100,000 for a family and from \$30,000 to \$50,000 for a single adult.⁵²

Virginia enacted a protection of the debtor's Earned Income Tax Refund, a key federal benefit for low-income working families with children.⁵³

For consumer debt, **Washington** now protects 82% of the debtor's wages or 35 times the state minimum wage.⁵⁴ Since the state minimum wage is \$12.00 an hour,⁵⁵ considerably higher than the \$7.25 federal minimum wage, this change is significant for debtors. For private student loans, it protects 85% of earnings or 50 times the highest minimum wage law in the state.⁵⁶ It also now provides that \$2,000 of its \$3,000 wildcard can be applied to protect a bank account in the case of a consumer debt, up from \$500.⁵⁷

All of these states still fall well short of the standards recommended in NCLC's model law. However, their record shows that it is possible to make progress on improving the protections for distressed debtors.

RECOMMENDATIONS: WHAT STATES CAN DO TO PROTECT FAMILY FINANCES

States have good reason to be concerned about protecting their residents from over-aggressive collection of judgments for consumer debts. The growing wealth gap strains families to the breaking point, and the high volume of collection lawsuits filed around the country⁵⁸ makes families increasingly vulnerable to seizure of essential wages and property.

State exemption laws should:

- **Preserve the debtor's ability to work**, by protecting a working car, work tools and equipment, and money for commuting and other daily work expenses.
- **Protect the family's housing, necessary household goods, and means of transportation.**
- **Protect a living wage for working debtors**—a wage that can meet basic needs and maintain a safe, decent standard of living within the community.

- **Protect a reasonable amount of money on deposit** so that debtors can pay commuting costs and upcoming bills such as rent, daycare, and utility bills.
- **Protect retirees from destitution** by restricting creditors' ability to seize retirement funds.
- **Be automatically updated for inflation.**
- **Close loopholes that enable some lenders to evade exemption laws.** For example, states that allow payday lending enable these lenders to evade state laws that protect wages and exempt benefits from creditors. States that allow lenders to take household goods as collateral enable these lenders to avoid state protections of household goods.
- **Be self-enforcing to the extent possible,** so that the debtor does not have to file complicated papers or attend court hearings.

Model language for states to achieve these goals is provided in the National Consumer Law Center's *Model Family Financial Protection Act*, available at www.nclc.org/mffpa. By updating their exemption laws, states can prevent debt buyers from reducing families to poverty. These protections also benefit society at large, by keeping workers in the work force, helping families stay together, and reducing the demand on funds for unemployment compensation and social services.

ENDNOTES

1. As early as 1968, when Congress adopted the wage garnishment limitations of the Consumer Credit Protection Act, it found: “The unrestricted garnishment of compensation due for personal services encourages the making of predatory extensions of credit. Such extensions of credit divert money into excessive credit payments and thereby hinder the production and flow of goods in interstate commerce.” 15 U.S.C. § 1671(a)(1).
2. Breno Braga et al., “Local Conditions and Debt in Collection” 2, 14 (Urban Institute, June 2016). See also Caroline Ratcliffe, et al, Debt in America: An Interactive Dashboard (Urban Institute, Dec. 2017) (reporting that in the United States, 45% of individuals living in predominantly non-white areas have a debt in collection, compared to 27% of individuals living in predominantly white areas); Consumer Fin. Protection Bur., Consumer Experiences with Debt Collection: Findings from the CFPB’s *Survey of Consumer Views on Debt*, 17 n.17, 18 (Jan. 2017) (44% of non-white respondents were contacted about a debt in collection, compared to 29% of white respondents). See also FINRA Investor Education Foundation, *Financial Capability in the United States 2016*, p. 27 (July 2016) (31% of African American respondents to the 2015 National Financial Capability Study reported being contacted by a debt collection agency in the past year, compared to 18% of all survey respondents).
3. Annie Waldman & Paul Kiel, *ProPublica, Racial Disparity in Debt Collection Lawsuits: A Study of Three Metro Areas* (Oct. 8, 2015); Peter A. Holland, *Junk Justice: A Statistical Analysis of 4,400 Lawsuits Filed by Debt Buyers* (Mar. 2014) (“In Maryland, debt buyers disproportionately sued in jurisdictions with larger concentrations of poor people and racial minorities. For example, Prince George’s County has only 15% of [Maryland’s] population, yet 23% of all debt buyer complaints were filed against Prince George’s County residents.”); Richard M. Hynes, “Broke but Not Bankrupt: Consumer Debt Collection in State Courts,” 60 *Fla. L. Rev.* 1, 3 (2008) (study of civil litigation in Virginia; concluding that “civil litigation is disproportionately concentrated in cities and counties with lower median income and homeownership rates; higher incidences of poverty and crime; and higher concentrations of relatively young and minority residents”). See also Mary Spector and Ann Baddour, “Collection Texas-Style: An Analysis of Consumer Collection Practices in and out of the Courts,” 67 *Hastings Law Journal* 1427, 1458 (June 2016) (Texas study; finding “a somewhat higher likelihood of default judgments in precincts with a higher non-White population”). See generally National Consumer Law Center, *Fair Debt Collection* § 1.3.1.5 (9th ed. 2018), updated at www.nclc.org/library.
4. Annie Waldman & Paul Kiel, *Racial Disparity in Debt Collection Lawsuits: A Study of Three Metro Areas, ProPublica* (Oct. 8, 2015) (holding income constant, defendants living in majority black census tracts in St. Louis were twenty percent more likely to be subject to garnishment proceedings after obtaining a judgment).
5. According to the Urban Institute, 77 million Americans had a debt in collections in 2014. *Urban Institute, Delinquent Debt in America* (July 30, 2014). In the same year there were 935,420 personal bankruptcies filed—only 1.2% of this figure, <https://www.uscourts.gov/news/2018/03/07/just-facts-consumer-bankruptcy-filings-2006-2017>. Even in 2010, in the midst of the Great Recession, less than 1.4 percent of the 116.7 million American households filed bankruptcy even though 39 percent of households had experienced financial distress. Michael Hurd and Susann Rohwedder, RAND Corp., *Effects of the Financial Crisis and Great Recession on American Households* (Nov. 2010).
6. Robert J. Hobbs, April Kuehnhoff, and Chi Chi Wu, National Consumer Law Center, *Model Family Financial Protection Act* (June 2012, rev. May 2019).

7. Robert A. Caro, *The Path to Power: The Years of Lyndon Johnson, Vol. 1* (New York: Alfred A. Knopf 1982).
8. Pa. Cons. Stat. Ann. tit. 42, §§ 8123, 8124.
9. N.J. Stat. Ann. §§ 2A:17-19, 2A:26-4.
10. Del. Code Ann. tit. 10, §§ 4902, 7323.
11. Ala. Code § 6-10-12; Alaska Stat. § 09.38.115; Cal. Civ. Proc. Code § 703.150; Ind. Code § 34-55-10-2.5; Minn. Stat. § 550.37(4a); Neb. Rev. Stat. § 25-1556; N.Y. C.P.L.R. § 5253; Ohio Rev. Code Ann. § 2329.66(B); S.C. Code Ann. § 15-41-30(B).
12. National Consumer Law Center, *Collection Actions* § 13.3.1 (4th ed. 2017), updated at www.nclc.org/library
13. See 15 U.S.C. § 1674(a) (prohibiting an employer from discharging an employee by reason of the fact that “his earnings have been subjected to garnishment for any one indebtedness,” but placing no restriction on discharge by reason of garnishment for more than one indebtedness).
14. The 2019 federal poverty level for a one-person household is \$12,490 a year or \$240.19 per week. See <https://aspe.hhs.gov/2019-poverty-guidelines>.
15. The 2019 federal poverty level for a four-person household is \$25,570 per year or \$495.19 per week. See <https://aspe.hhs.gov/2019-poverty-guidelines>.
16. For the sake of simplicity, the tables in this section do not distinguish between gross and net wages. In drafting a wage garnishment limit, these distinctions are important, because the exact calculations can make a significant difference.
17. See www.dol.gov/whd/minwage/america.htm (listing state minimum wage amounts).
18. See Robert J. Hobbs, April Kuehnhoff, and Chi Chi Wu, National Consumer Law Center, *Model Family Financial Protection Act*, Appx. A (June 2012, rev. May 2019).
19. See National Consumer Law Center, *Collection Actions* Appx. G (4th ed. 2017), updated at www.nclc.org/library.
20. R.I. Gen. Laws § 9-26-4.1.
21. *Edmunds Used Car Report Q2 2019* p. 2.
22. La. Rev. Stat. Ann. § 13:3881(A)(8); Mass. Gen. Laws Ch. 235, § 34(16); Minn. Stat. § 550.37(12a); N.D. Cent. Code § 28.22.03.1(2).
23. See, e.g., *Mayers v. New York Cmty. Bankcorp*, 2005 WL 2105810 (E.D.N.Y. Aug. 31, 2005).
24. 31 C.F.R. Part 212.
25. Cal. Civ. Proc. Code § 704.080; N.Y. C.P.L.R. § 5205(l) (McKinney).
26. <https://www.apartmentlist.com/rentonomics/national-rent-data/> (\$1190).
27. Bur. of Labor Statistics, *Table 3444*, Consumer units of four people by income before taxes: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2017-2018 (showing that the average annual expenditures for a household of four come to \$80,385 per year, which is \$6,698 per month).
28. 24 C.F.R. § 5.603 defines “low income family” as one whose income is no more than 80% of the median income in the area, and a “very low income family” as one whose income is no more than 50% of the median. The median income in the United States is \$63,688 per year, or \$5,307 per month. 80% of that figure is \$4,245.60, and 50% of it is \$2,653.50.
29. Scott B. Van Voorhis, “[How much should you have in savings at each age?](#),” *Bankrate.com* (July 31, 2019).
30. 2019 Cal. Legis. Serv. Ch. 552 (S.B. 616) (eff. Sept. 1, 2020) (enacting Cal. Civ. Proc. Code § 704.220, which provides that \$1,724 in a bank account is exempt without the debtor having to make a claim; the \$1,724 figure is adjusted annually to reflect changes in the cost of living).

31. See Paul Kiel, *ProPublica*, “The 182 Percent Loan: How Installment Lenders Put Borrowers in a World of Hurt” (May 13, 2013), available at propublica.org/article/installment-loans-world-finance.
32. 16 C.F.R. Part 444.
33. For example, it does not protect rugs, a computer, children’s car seats, a lawn mower, bicycles, or carpenter tools.
34. See National Consumer Law Center, *Repossessions* (9th ed. 2017), updated at www.nclc.org/library.
35. Compare Del. Code Ann. tit. 10, § 4902 (\$50 to \$75, depending on debtor’s location) with Iowa Code §§ 627.6(11) (\$10,000). See also Colo. Rev. Stat. § 13-54-102 (\$30,000 for tools of the trade, \$50,000 for farm equipment).
36. Ala. Code § 6-10-2, as amended by 2015 Ala. Laws 2015-484 (S.B. 327).
37. Ala. Code § 6-10-12, added by 2015 Ala. Laws 2015-484 (S.B. 327).
38. Cal. Civ. Proc. Code § 706.050, as amended by 2015 Cal. Legis. Serv. Ch. 800 (S.B. 501), § 2.
39. 2019 Cal. Legis. Serv. Ch. 552 (S.B. 616) (eff. Sept. 1, 2020) (enacting Cal. Civ. Proc. Code § 704.220).
40. Colo. Rev. Stat. § 13-54-104, as amended by 2019 Colo. Legis. Serv. 214 (H.B. 19-1189), § 3.
41. Colo. Rev. Stat. § 38-41-201, as amended by 2015 Colo. Legis. Serv. 301 (S.B. 15-283), § 6.
42. Colo. Rev. Stat. § 13-54-102(j), as amended by 2015 Colo. Legis. Serv. 301 (S.B. 15-283), § 2.
43. Colo. Rev. Stat. § 13-54-102(i), as amended by 2015 Colo. Legis. Serv. 301 (S.B. 15-283), § 2.
44. D.C. Code § 16-572, as amended by 2018 D.C. Laws 22-296 (Act 22-633).
45. D.C. Code § 32-1003 (a)(5)(A)(iv). It will increase to \$15 on July 1, 2020.
46. Ind. Code § 24-4.5-5-105(2)(a), as amended by 2014 Ind. Legis. Serv. P.L. 78-2014 (H.E.A. 1347), § 2.
47. Me. Rev. Stat. Ann., tit. 14, § 4422(2), as amended by 2017 Me. Legis. Serv. Ch. 209 (S.P. 497) (L.D. 1442), § 1.
48. Neb. Rev. Stat. § 25-1556, as amended by 2018 Neb. Laws L.B. 105.
49. Nev. Rev. Stat. § 31.295, as amended by 2017 Nevada Laws Ch. 329 (S.B. 230) § 4; Nev. Rev. Stat. § 21.090, as amended by 2017 Nevada Laws Ch. 329 (S.B. 230), § 4.
50. Nev. Rev. Stat. § 21.090, as amended by 2017 Nevada Laws Ch. 311 (A.B. 314), § 1.
51. N.D. Cent. Code § 28-22-03.1, as amended by 2015 North Dakota Laws Ch. 235 (H.B. 1086), § 2.
52. Tex. Prop. Code Ann. § § 42.001 and 41.002, as amended by 2015 Tex. Sess. Laws Serv. 793 (H.B. 2706) § 1
53. Va. Code Ann. § 36-24(9), added by 2015 Virginia Laws Ch. 686 (H.B. 2015)
54. Wash. Rev. Code § 6.27.150(4), as amended by 2019 Wash. Legis. Serv. Ch. 371 (S.H.B. 1602), § 7.
55. Wash. Rev. Code § 49.46.020. It will increase to \$13.50 on January 1, 2020, and be adjusted annually for inflation starting on January 1, 2021.
56. Wash. Rev. Code § 6.27.150(3), as amended by 2018 Wash. Legis. Serv. Ch. 199 T.S. H.B. 1169), § 207.
57. Wash. Rev. Stat. § 6.15.010(1)(d)(ii), as amended by 2018 Wash. Legis. Serv. Ch. 199 (T.S.H.B. 1169), § 203 and 2019 Was. Legis. Serv. Ch. 371 (S.H.B. 1302), § 3.
58. National Consumer Law Center, *Fair Debt Collection* § 14.9.1 (9th ed. 2018), updated at www.nclc.org/library.

APPENDIX A STATE PROTECTION OF WAGES

NCLC's Model Family Financial Protection Act Recommendation: 80 times federal or state minimum wage or 10% of disposable income (15% if weekly disposable income exceeds \$1200)

STATE	AMOUNT PROTECTED
“A” States Ban Wage Garnishment for Most Debts	
North Carolina	All wages exempt if supporting a family
Pennsylvania	All wages exempt for most debts
South Carolina	All wages exempt
Texas	All wages exempt
“B” States Protect Enough Wages So That Paycheck Does Not Drop Below the Poverty Level (\$495.19 per week for family of four)	
Alaska	\$743 per week if debtor is sole support of debtor’s household
District of Columbia	75% of wages or 40 times D.C. minimum wage (\$14/hour); can be increased if undue hardship is shown
Florida	\$750 if wage earner is head of family
Massachusetts	85% of gross wages or 50 times the greater of the federal or state (\$12/hour) minimum wage
Wisconsin	Federal poverty amount, based on family size, is exempt; also allows hardship exemption
“C” States Protect at Least \$350 per Week	
California	75% of wages or 40 times state minimum wage (\$12/hour for large employers, otherwise \$11) or local minimum wage; more if debtor proves that higher amount is needed. Garnishment is limited to 50% of amount in excess of 40 times state or local minimum wage.
Colorado	80% of disposable income or 40 times state minimum wage (\$11.10/hour); also allows hardship exemption
Connecticut	40 times federal or state (\$10.10/hour) minimum wage
Maine	75% of wages or 40 times federal or state (\$11/hour) minimum wage
Illinois	Garnishment is limited to 15% of gross wages or the amount in excess of 45 times federal or state (\$8.25/hour) minimum wage
Nevada	82% of wages or 50 times federal minimum wage
New Hampshire	50 times federal minimum wage
New York	Garnishment is limited to 10% of gross wages, or amount in excess of 30 times federal or state minimum wage. State minimum wage varies from \$11.10 to \$15/hour. Also prohibits garnishment if debtor receives public assistance or would be qualified to receive it if wages were reduced by the garnishment
South Dakota	80% of wages or 40 times federal or state (\$9.10/hour) minimum wage, plus \$25 per dependent
Washington	For consumer debt, 80% of disposable earnings or 35 times state minimum wage (\$12/hour)
West Virginia	80% of wages or 50 times federal minimum wage

STATE	AMOUNT PROTECTED
“D” States Preserve More of a Worker’s Wages Than the Minimum Required by Federal Law	
Arizona	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but allows reduction in case of hardship
Delaware	85% of wages
Hawaii	Protects all but 5% of the first \$100 in wages, all but 10% of next \$100, and all but 20% of remainder
Indiana	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but allows reduction in case of hardship
Iowa	For debts arising from consumer contract, protects 75% of wages or 40 times minimum wage; also places dollar cap on amount that can be garnished in a year
Minnesota	75% of wages or 40 times federal minimum wage. Also exempts wages of anyone who is, or was within the last 6 months, eligible for public assistance
Missouri	90% of wages for head of family
Nebraska	85% of wages for head of household
New Jersey	90% of wages if under 250% of poverty
New Mexico	75% of wages or 40 times federal minimum wage
North Dakota	75% of wages or 40 times federal minimum wage, plus \$20 per dependent
Oklahoma	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but allows hardship exemption.
Oregon	Protects the greater of 75% of wages or \$254/week
Rhode Island	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but also prohibits garnishment for one year after receipt of public assistance
Tennessee	Federal minimum (75% of wages or 30 times federal minimum wage), plus \$2.50 per week for each dependent child under age 16
Vermont	For debt arising from consumer credit transaction, 85% of wages or 40 times federal minimum wage; more if debtor shows need
Virgin Islands	90% of wages
Virginia	75% of wages or 40 times federal minimum wage. If household income does not exceed \$1,750/month, additional exemptions of \$34/week for one child, \$52/week for two, and \$66/week for three or more
“F” States Protect Only the Federal Minimum	
Alabama	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Arkansas	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Georgia	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Idaho	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Kansas	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Kentucky	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage

STATE	AMOUNT PROTECTED
“F” States Protect Only the Federal Minimum (continued)	
Louisiana	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Maryland	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Michigan	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Mississippi	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Montana	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Ohio	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Puerto Rico	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Utah	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
Wyoming	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage

APPENDIX B

PROTECTION FOR THE FAMILY HOME

NCLC's Model Family Financial Protection Act Recommendation: Median House Price

STATE	AMOUNT OF PROTECTION
“A” States that Protect the Family Home Regardless of Value	
Arkansas	Limit on number of acres, but no dollar cap
District of Columbia	No dollar cap if head of family
Florida	Limit on number of acres, but no dollar cap
Iowa	Limit on number of acres, but no dollar cap
Kansas	Limit on number of acres, but no dollar cap
Oklahoma	Limit on number of acres, but no dollar cap
Puerto Rico	No dollar cap
South Dakota	Limit on number of acres, but no dollar cap
Texas	Limit on number of acres, but no dollar cap
“A” States that Protect a Median-Priced Home in the State	
Massachusetts	\$500,000 (if recorded homestead declaration)
Minnesota	\$420,000
Montana	\$250,000
Nevada	\$605,000
Ohio	\$145,425
Rhode Island	\$500,000 but statute has very significant exceptions
Virgin Islands	\$300,000
“B” States Protect a Home Worth 75% to 99% of State Median Price	
No state meets this standard	
“C” States Protect a Home Worth 50% to 74% of State Median Price	
Arizona	\$150,000
Maine	\$95,000
Mississippi	\$75,000
North Dakota	\$100,000
Vermont	\$125,000
“D” States Protect a Home Worth 25% to 49% of State Median Price	
Alaska	\$72,900
Connecticut	\$75,000
Idaho	\$100,000
Nebraska	\$60,000
New Hampshire	\$120,000

STATE	AMOUNT OF PROTECTION
“D” States Protect a Home Worth 25% to 49% of State Median Price (continued)	
New Mexico	\$60,000
New York	\$165,550 (in the 10 most populous counties)
South Carolina	\$59,100
Washington	\$125,000
Wisconsin	\$75,000
“F” States Provide Little or No Protection for the Family Home	
Alabama	\$15,000
California	\$100,000 for a family
Colorado	\$75,000
Delaware	\$500
Georgia	\$21,500
Hawaii	\$30,000
Illinois	\$15,000
Indiana	\$19,300
Kentucky	\$5,000
Louisiana	\$35,000
Maryland	\$6,000 wildcard can be applied to real property
Michigan	\$3,500
Missouri	\$15,000
New Jersey	None
North Carolina	\$35,000
Oregon	\$40,000
Pennsylvania	\$300 wildcard can be applied to real property
Tennessee	\$25,000 if supporting minor child
Utah	\$42,000
Virginia	\$5,000, plus \$500 per dependent
West Virginia	\$5,000 if parent or married person
Wyoming	\$20,000

APPENDIX C

PROTECTION OF THE FAMILY CAR

NCLC's Model Family Financial Protection Act Recommendation: \$15,000 car (\$25,000 if adapted for disability), plus \$10,000 wildcard

STATE	AMOUNT OF PROTECTION
“A” States Protect a Car Worth \$15,000 or More	
Kansas	\$20,000
Nevada	\$15,000
North Dakota	\$15,000 (amount includes a wildcard*)
Puerto Rico	No limit on value if used in occupation
Texas	\$15,000 (through use of a wildcard*)
“B” States Protect a Car Worth Between \$10,000 and \$14,999	
District of Columbia	\$10,500 (amount includes a wildcard*)
Massachusetts	\$13,500 (amount includes a wildcard*)
Rhode Island	\$12,000
South Carolina	\$12,200 (amount includes a wildcard*)
Virginia	\$11,000 (amount includes a wildcard*)
“C” States Protect a Car Worth Between \$5,000 and \$9,999	
Alabama	\$6,750 (through use of a wildcard*)
Arizona	\$6,000
Colorado	\$7,500
Florida	\$5,000 (amount includes a wildcard*)
Idaho	\$7,800 (amount includes a wildcard*)
Illinois	\$5,400 (amount includes a wildcard*)
Indiana	\$9,250 (through use of a wildcard*)
Iowa	\$8,000 (amount includes a wildcard*)
Louisiana	\$7,500
Maine	\$7,900 (amount includes a wildcard*)
Maryland	\$5,000 (through use of a wildcard*)
Mississippi	\$9,000 (through use of a wildcard*)
Missouri	\$5,550 (amount includes a wildcard*)
Nebraska	\$9,000 (amount includes a wildcard*)
New Hampshire	\$9,000 (amount includes a wildcard*)
New Mexico	\$8,500 (amount includes a wildcard*)
New York	\$5,700 (amount includes a wildcard*)
North Carolina	\$7,500 (amount includes a wildcard*)
Oklahoma	\$7,500

STATE	AMOUNT OF PROTECTION
“C” States Protect a Car Worth Between \$5,000 and \$9,999 (continued)	
South Dakota	\$6,000 (through use of a wildcard*)
Tennessee	\$9,000 (through use of a wildcard*)
Vermont	\$9,900 (amount includes a wildcard*)
Washington	\$5,250 (amount includes a wildcard*)
West Virginia	\$6,000 (amount includes a wildcard*)
Wyoming	\$5,000
“D” States Protect a Car Worth Between \$2000 and \$4999	
Alaska	\$4,050
California	\$3,325
Connecticut	\$4,500 (amount includes a wildcard*)
Georgia	\$4,000 (through use of a wildcard*)
Hawaii	\$2,575
Kentucky	\$2,500
Minnesota	\$4,800
Montana	\$2,500
Ohio	\$4,000
Oregon	\$3,000
Utah	\$3,000
Wisconsin	\$4,000
“F” States Provide No Realistic Protection for the Debtor’s Car	
Arkansas	\$500 (through use of a wildcard*)
Delaware	\$500 (through use of a wildcard*)
Michigan	\$1,000 if necessary for debtor to carry on trade or occupation
New Jersey	\$1,000 (through use of a wildcard*)
Pennsylvania	\$300 (through use of a wildcard*)
Virgin Islands	None

*This table assumes that, if the state allows a “wildcard” exemption (one that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice), the debtor will apply all or most of it first to protect a car up to \$15,000 in value.

APPENDIX D

PROTECTION OF FAMILY BANK ACCOUNT

NCLC's Model Family Financial Protection Act Recommendation: \$10,000 in a bank account

STATE	AMOUNT OF PROTECTION
"A" States Protect \$3,000 or More in a Bank Account	
Delaware	Prohibits garnishment of bank accounts
Nevada	\$10,000 (through use of a wildcard*)
New York	\$2,664 to \$3,600 (depends on applicable minimum wage)
North Dakota	\$3,000
South Carolina	\$6,100
Wisconsin	\$5,000
"B" States Protect Between \$2,000 and \$2,999 in a Bank Account	
Alaska	\$2,970 is protected if a person who is supporting a family does not receive weekly, biweekly, or monthly earnings
Massachusetts	\$2,500
"C" States Protect Between \$1,000 and \$1,999 in a Bank Account, or Protect Deposited Wages	
Alabama	\$1,000 (through use of a wildcard*)
California	Wages remain exempt after deposit. Once a law enacted in October 2019 takes effect, California will also provide a self-executing protection of \$1,724.
Colorado	Wages remain exempt after deposit
Connecticut	If identifiable electronic deposits of wages or certain exempt benefits were made with preceeding 60 days, the first \$1000 in the account is exempt.
District of Columbia	\$1,000 (through use of a wildcard*)
Florida	\$1,000 (through use of a wildcard*), plus wages remain exempt after deposit
Idaho	Wages remain exempt after deposit
Illinois	\$1,000 (through use of a wildcard*)
Iowa	Wages remain exempt after deposit
Maryland	\$1,000 (through use of a wildcard*)
Minnesota	Wages remain exempt after deposit
Mississippi	\$1,000 (through use of a wildcard*)
Montana	Wages remain exempt after deposit
Nebraska	\$1,000 (through use of a wildcard*), plus wages remain exempt after deposit
New Hampshire	\$1,000 (through use of a wildcard*)
New Mexico	\$1,000 (through use of a wildcard*)
North Carolina	\$1,000 (through use of a wildcard*), plus wages remain exempt after deposit
Oklahoma	Wages remain exempt after deposit
Oregon	Wages remain exempt after deposit

STATE	AMOUNT OF PROTECTION
“C” States Protect Between \$1,000 and \$1,999 in a Bank Account, or Protect Deposited Wages (continued)	
Puerto Rico	\$400 earmarked protection, plus wages remain exempt after deposit
South Dakota	\$1,000 (through use of a wildcard*)
Tennessee	\$1,000 (through use of a wildcard*)
Virginia	\$1,000 (through use of a wildcard*)
Washington	\$1,000 (through use of a wildcard*)
West Virginia	\$1,100
“D” States Protect Between \$300 and \$999 in a Bank Account	
Arizona	\$300
Indiana	\$350
Ohio	\$500
Vermont	\$700
“F” States Protect Less than \$300 in a Bank Account	
Arkansas	No protection
Georgia	No protection
Hawaii	No protection
Kansas	No protection
Kentucky	No protection
Louisiana	No protection
Maine	No protection
Michigan	No protection
Missouri	No protection
New Jersey	No protection
Pennsylvania	No protection
Rhode Island	No protection
Texas	No protection
Utah	No protection
Virgin Islands	No protection
Wyoming	No protection

*This table assumes that, if the state allows a “wildcard” exemption (one that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice), the debtor will apply all or most of it first to protect a car up to \$15,000 in value, and then the remainder to protect up to \$3,000 in a bank account if the state does not provide an earmarked exemption for a bank account.

APPENDIX E

PROTECTION OF HOUSEHOLD GOODS

NCLC's Model Family Financial Protection Act Recommendation: All household goods, but creditor can seek court order to seize any item worth over \$3,000

STATE	AMOUNT OF PROTECTION
“A” States Protect All Necessary Household Goods	
California	All necessary household goods
Connecticut	All necessary household goods
Hawaii	All necessary household goods
Kansas	All necessary household goods
Louisiana	No dollar cap for extensive list of household goods used by debtor or family
Maine	No dollar cap
New Mexico	All furniture, with no dollar cap
New York	Extensive list of household goods, including all furniture, with no dollar cap
Oklahoma	All household and kitchen furniture
Puerto Rico	All necessary household goods
“B” States Protect Household Goods Worth \$12,000 or More	
Massachusetts	\$15,000
Nevada	\$12,000
Ohio	\$13,400
Texas	\$85,000 (through use of a wildcard*)
Wisconsin	\$12,000
“C” States Protect Household Goods Worth Between \$8,000 and \$11,999	
District of Columbia	\$8,625
Minnesota	\$10,800
Rhode Island	\$9,600
West Virginia	\$8,000
“D” States Protect Household Goods Worth Between \$2,000 and \$7,999	
Alaska	\$4,050
Arizona	\$6,000
Colorado	\$3,000
Idaho	\$7,500
Iowa	\$7,000
Kentucky	\$3,000
Missouri	\$3,000
Montana	\$4,500

STATE	AMOUNT OF PROTECTION
“D” States Protect Household Goods Worth Between \$2,000 and \$7,999 (continued)	
Nebraska	\$3,000
New Hampshire	\$3,500
North Carolina	\$7,000
North Dakota	\$2,450 (through use of a wildcard*)
Oregon	\$3,000
South Carolina	\$4,875
Utah	\$4,000
Vermont	\$2,500
Virgin Islands	\$3,000
Virginia	\$5,000
Washington	\$6,500
Wyoming	\$4,000
“F” States Protect Less than \$2,000 in Household Goods	
Alabama	No protection
Arkansas	No protection
Delaware	No protection
Florida	No protection
Georgia	\$1,000 (through use of a wildcard*)
Illinois	No protection
Indiana	\$1,000 (through use of a wildcard*)
Maryland	\$1,000
Michigan	\$1,000
Mississippi	No protection
New Jersey	\$1,000
Pennsylvania	No protection
South Dakota	No protection
Tennessee	No protection

*This table assumes that, if the state allows a “wildcard” exemption (one that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice), the debtor will apply all or most of it first to protect a car up to \$15,000 in value, second to protect up to \$3,000 in a bank account, and third to protect household goods if the state does not provide an earmarked exemption for them.

APPENDIX F

THE RATING SYSTEM FOR THIS REPORT

State exemption laws differ in their approach. Some provide a list of property that debtors can preserve from their creditors, with a dollar cap for each category. Others provide a “wildcard” exemption of a certain dollar amount. Then the debtor chooses what specific items to protect. Some wildcards are limited to certain kinds of property, and some are available only if the debtor does not take advantage of some other exemption, usually the homestead exemption. Many states’ exemption schemes combine both a list of earmarked exemptions and a wildcard. Some exemptions are available only to the head of a household, and some states increase certain exemptions if the debtor is supporting children.

In order to treat these states uniformly, so that their results for debtors can be compared on a state-by-state basis, this report has employed certain assumptions. We assume that, if a wildcard is available, the debtor will apply it first to preserve a car worth up to \$15,000, since for so many debtors a working car is necessary to keep a job, buy groceries, and get health care. However, if the wildcard exemption is at least \$3,000 and the state does not offer an earmarked exemption for a bank account or household goods, we reserve \$1,000 of the wildcard for those purposes. If any amount of a wildcard remains after applying it to preserve a car worth up to \$15,000, we apply it next to a bank account, if the state allows it to be used for this purpose and if the state did not provide an earmarked exemption for a bank account. If any amount remains after preserving up to \$3,000 in a bank account, we apply the remainder to the debtor’s household goods. The reason for applying it last to household goods despite their importance for the debtor’s daily life is that they often have so little resale value that the creditor will only threaten to seize them, so a debtor who has no other options may decide to run that risk.

In some states, a wildcard is available only if the debtor does not claim some other exemption, typically a homestead exemption. For purposes of our ratings of the state’s protection of a car, a bank account, and household goods, we have assumed that the debtor has not claimed a homestead exemption. A few states offer a wildcard in the amount of any unused portion of certain earmarked exemptions for types of personal property. In these states, we have assumed that the debtor has not used an exemption for tools of the trade or crops, but has used the full exemption for a car, a bank account, and household goods.

Some states allow married debtors to “stack” their exemptions. For example, if a state allowed a \$2,000 exemption for a car, each spouse might be able to exempt that amount and save a car worth \$4,000. The figures in this report are based on the individual exemption amounts unless otherwise stated.

Some states provide higher exemption amounts for debtors who are elderly or disabled. In this report we have not used these higher amounts. When states provide a higher exemption amount for a person who is the head of a family, however, we have used

that amount in our ratings. A few states also provide small increases in their protection of wages or property when the debtor has dependent children. In those states, we have assumed that the debtor has two children.

When there are ambiguities in state exemption laws, we have interpreted them in favor of a broader rather than a narrower exemption. For example, some states are not very clear about whether the state's protection of the debtor's wages continues after the wages have been paid and deposited in the debtor's bank account. If the statute is worded in a way that suggests that the protection might apply to deposited wages, for example by applying the exemption to wages that are "paid or payable," we looked for court decisions addressing this question. If we found cases that provided any indication that the protection could be used to protect deposited wages, we rated the state as allowing this. Similarly, some states' exemption laws are not clear about whether a wildcard exemption can be used to protect a bank account. For example, the statute may provide that the wildcard exemption applies to "any real or personal property." If we could find any cases that treated such a wildcard as available to protect a bank account, we treated it as available. If we have overlooked any decisions or statutes that address these or other questions, please bring them to our attention.

Interpreting ambiguous exemption laws broadly is in line with the general principle that state exemption laws are to be interpreted liberally in favor of the debtor. But it also means that, even in states that we rate highly, the exemption law may need improvements to make it clear that the broader reading is correct.

In calculating the amount of wages protected from garnishment, we have assumed that the debtor is working full-time at minimum wage and is the head of a four-person household that includes two dependent children. If the state law explicitly requires the state minimum wage rather than the federal minimum wage to be used in a particular calculation, we have done so. In the few states that provide that a calculation is to be based on the larger of the state or local minimum wage, we have used the state minimum. In New York, the state minimum wage varies based on the size and location of the employer, and in California it varies based on the size of the employer. In both cases we have used the highest minimum wage.

Our rating of the state's protection of the debtor's home is based on the extent to which the state's homestead exemption protects a median-priced home in the state. Median home values are based on census figures.¹ In New York, where the exempt amount ranges from \$85,400 to \$170,825 depending on the county, we have chosen the exemption amount (\$170,825) that applies to the ten most populous counties. The average of those 10 counties' median home values is \$535,640.² For the Virgin Islands, a 2010 figure³ is the latest available. It appears to still be in use in that jurisdiction. For example, the Virgin

¹https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B25077&prodType=table.

²See median home value estimates for New York counties (2017): https://factfinder.census.gov/bkmk/table/1.0/en/ACS/17_1YR/B25077/0400000US36.05000.

³https://factfinder.census.gov/bkmk/table/1.0/en/DEC/10_VISF/HBG61/0400000US78

Islands Housing Finance Authority refers to that number in two recent documents.⁴ Some states make a homestead exemption dependent in whole or in part on filing of a document declaring that the home is the consumer’s homestead. In those states, we have assumed that the debtor has filed the required declaration.

Several jurisdictions provide an exemption for a car only if the debtor uses it to get to work. Since this exemption would be available for the typical working family, we have included those exemptions in this report. In some other states, an exemption for “tools of the trade” may apply to a car, but often the cases require the car to be used for more than just getting to and from work. In this report we have assumed that any exemption for tools of the trade is not interpreted to be flexible enough to exempt a car that is used for commuting.

⁴U.S. Virgin Islands Disaster Recovery Action Plan (March 2019); Community Development Block Grant: Disaster Recovery Program Action Plan (2018).

APPENDIX G STATE SUMMARIES

This appendix shows, for each state plus the District of Columbia, Puerto Rico, and the Virgin Islands, how well the jurisdiction protects a family’s basic income and assets from seizure by creditors and debt collectors. It analyzes the jurisdiction’s exemption laws from the perspective of a consumer who is supporting two children and working full-time at minimum wage. It includes the overall grade for the state, and the grades for each of the five elements we rate: protection of a living wage, the home, a car, a basic amount in a bank account, and household goods.

ALABAMA D				
A person who is supporting two children and working full-time at minimum wage can preserve . . .				
	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Ala. Code §§ 5-19-15, 6-10-7	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$15,000	Ala. Code § 6-10-2	This is 7% of the median home value in the state.	F
A car worth . . .	\$6,750	Ala. Code § 6-10-6	The only exemption available for a car is a \$7,750 wildcard,* adjusted triennially for inflation. This uses all but \$1,000 of the wildcard.	C
A bank account worth . . .	\$1,000	Ala. Code § 6-10-6	This uses the remainder of the wildcard. In <i>In re Lively</i> , 583 BR 534 (Bankr. M.D. Ala. 2017), the court treated this wildcard as available to protect a sum of money that a state court was holding for the debtor, so it appears that it can probably be used to protect a bank account.	C
Household goods worth . . .	No protection	Ala. Code § 6-10-6	If the wildcard is used to protect a \$6,750 car and \$1,000 in a bank account, nothing will be left to protect household goods.	F

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

Source: ©2019, National Consumer Law Center, *No Fresh Start 2019: How States Still Allow Debt Collectors to Push Families into Poverty* available at: <https://www.nclc.org/issues/report-still-no-fresh-start.html>.

ALASKA



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$743	Alaska Stat. §§ 09.38.030, 09.38.050; Alaska Admin. Code tit. 8, § 95.030	State protects \$743 (adjusted biennially for inflation) if the debtor is the sole support of a household.	B
A home worth . . .	\$72,900 (adjusted biennially for inflation)	Alaska Stat. § 09.38.010; Alaska Admin. Code tit. 8, § 95.030	This is 27% of the median home value in the state.	D
A car worth . . .	\$4,050 in car worth up to \$27,000 (adjusted biennially for inflation)	Alaska Stat. § 09.38.020; Alaska Admin. Code tit. 8, § 95.030	Earmarked exemption.	D
A bank account worth . . .	For a person who is not earning regular wages, \$2,970 is protected.	Alaska Stat. § 09.38.030; Alaska Admin. Code tit. 8, § 95.030	Earmarked exemption. It also appears that wages remain exempt after payment. <i>In re</i> Henrickson, 2007 WL 703620 (Bankr. D. Alaska Mar. 5, 2007), holds that assets that can be traced back to wages are exempt. In addition, the protection of \$743 of the debtor's wages applies to "earnings," defined as "money received by an individual . . ." (emphasis added). <i>Miller v. Monrean</i> , 507 P.2d 771 (Alaska 1973), was based on an earlier version of the statute but expresses a strong view that deposited wages should remain exempt.	B
Household goods worth . . .	\$4,050 (adjusted biennially for inflation)	Alaska Stat. § 09.38.030; Alaska Admin. Code tit. 8, § 95.030	Earmarked exemption.	D

*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

Source: ©2019, National Consumer Law Center, *No Fresh Start 2019: How States Still Allow Debt Collectors to Push Families into Poverty* available at: <https://www.nclc.org/issues/report-still-no-fresh-start.html>.

ARIZONA



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Ariz. Rev. Stat. Ann. § 33-1131	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage, but allows garnishment to be reduced in case of hardship.	D
A home worth . . .	\$150,000	Ariz. Rev. Stat. Ann. § 33-1101	This is 67% of the median home value in the state.	C
A car worth . . .	\$6,000 (\$12,000 if disabled)	Ariz. Rev. Stat. Ann. §33-1125	Earmarked exemption.	C
A bank account worth . . .	\$300	Ariz. Rev. Stat. Ann. §33-1126	Earmarked exemption.	D
Household goods worth . . .	\$6,000	Ariz. Rev. Stat. Ann. § 33-1123	Earmarked exemption.	D

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

Source: ©2019, National Consumer Law Center, *No Fresh Start 2019: How States Still Allow Debt Collectors to Push Families into Poverty* available at: <https://www.nclc.org/issues/report-still-no-fresh-start.html>.

ARKANSAS



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Ark. Code Ann. § 16-66-208	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	No dollar cap if married or head of household	Ark. Const. art. 9, §§ 3,4,5. Ark. Code Ann. § 16-66-210	Limit on number of acres, but no dollar cap	A
A car worth . . .	\$500		The only exemption available for a car is a \$500 exemption for a head of household. This uses all of that wildcard.*	F
A bank account worth . . .	No protection		If the wildcard is used to protect a \$500 car, nothing will be left to protect a bank account.	F
Household goods worth . . .	No protection		If the wildcard is used to protect a \$500 car, nothing will be left to protect household goods.	F

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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CALIFORNIA

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$480	Cal. Civ. Proc. Code § 706.050	State protects 75% of disposable earnings or 40 times the state minimum wage (\$12/hr. for large employers, less for others). If debtor earns more than 40 times the state minimum wage, 50% of the amount in excess of 40 times the state minimum wage can be garnished.	C
A home worth . . .	\$100,000 family (\$175,000 if over 65, disabled, or over 55 with income less than \$25,000/yr.)	Cal. Civ. Proc. Code § 704.730	This is 20% of the median home value in the state.	F
A car worth . . .	\$3,325 (adjusted triennially for inflation)	Cal. Civ. Proc. Code § 704.010	Earmarked exemption.	D
A bank account worth . . .	100% of wages remain exempt after deposit if garnished before deposit; otherwise 75% exempt.	Cal. Civ. Proc. Code § 704.070	Effective September 1, 2020, a new California law will create a self-executing protection for the first \$1724 in a bank account, regardless of its source.	C
Household goods worth . . .	No dollar cap	Cal. Civ. Proc. Code § 704.020	Ordinary and reasonably necessary household goods are exempt. Items of extraordinary value may be sold, but the portion of the proceeds that is needed to purchase a replacement item of ordinary value is exempt.	A

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

Source: ©2019, National Consumer Law Center, *No Fresh Start 2019: How States Still Allow Debt Collectors to Push Families into Poverty* available at: <https://www.nclc.org/issues/report-still-no-fresh-start.html>.

COLORADO



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$444	Colo. Rev. Stat. § 13-54-104	State protects 80% of disposable income or 40 times state minimum wage of \$11.10.	C
A home worth . . .	\$75,000 (\$105,000 elder or disabled)	Colo. Rev. Stat. § 38-41-201	This is 21% of the median home value in the state.	F
A car worth . . .	\$7,500 (\$12,500 if elderly or disabled)	Colo. Rev. Stat. § 13-54-102	Earmarked exemption.	C
A bank account worth . . .	None, but wages remain exempt after deposit.	Colo. Rev. Stat. § 13-54-104	The statute's protection of wages that are "paid or payable" has been construed to protect deposited wages. <i>See, e.g., In re Kobernusz</i> , 160 B.R. 844 (D. Colo. 1993).	C
Household goods worth . . .	\$3,000	Colo. Rev. Stat. § 13-54-102	Earmarked exemption.	D

*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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CONNECTICUT

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$404	Conn. Gen. Stat. § 52-361a(f)	State protects 75% or 40 times the state minimum wage of \$10.10.	C
A home worth . . .	\$75,000 (\$125,000 for certain medical debts).	Conn. Gen. Stat. § 52-352b(t)	This is 27% of the median home value in the state.	D
A car worth . . .	\$4,500	Conn. Gen. Stat. §§ 52-352b (j), (r)	This combines a \$3,500 earmarked exemption with a \$1,000 wildcard.*	D
A bank account worth . . .	If identifiable electronic deposits of wages or certain exempt benefits were made with preceeding 60 days, the first \$1000 in the account is exempt.	Conn. Gen. Stat. § 52-367b		C
Household goods worth . . .	No dollar cap	Conn. Gen. Stat. §§ 52-352a, 52-352b(a)	“Necessary” furniture, appliances, etc.	A

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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DELAWARE

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$246.60	Del. Code Ann. tit. 10, § 4913	State protects 85% of wages.	D
A home worth . . .	A \$500 wildcard* for the head of a family can be applied to a homestead.	Del. Code Ann. tit. 10, § 4903)	This is 0.2% of the median home value in the state.	F
A car worth . . .	\$500	Del. Code Ann. tit. 10, § 4903	The only exemption available for a car is a \$500 wildcard, available only if it is not applied to the home. This uses all of the wildcard.	F
A bank account worth . . .	Bank accounts cannot be garnished in Delaware.	Del. Code Ann. tit. 10, § 3502(b)		A
Household goods worth . . .	No protection	Del. Code Ann. tit. 10, § 4903	If the wildcard is used to protect a \$500 car, nothing will be left to protect household goods	F

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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DISTRICT OF COLUMBIA B

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$560	D.C. Code § 16-572	75% or 40 times the D.C. minimum wage of \$14 is protected.	B
A home worth . . .	No dollar cap if debtor is the head of a family	D.C. Code § 15-501(a)(14)		A
A car worth . . .	\$10,500 if debtor is head of a family	D.C. Code § 15-501(a)(1), (a)(3)	This combines an earmarked exemption of \$2,575 with an \$850 wildcard* that is available to the head of a family and \$7,075 of a second \$8,075 wildcard that is available if the debtor does not use the homestead exemption.	C
A bank account worth . . .	\$1,000	D.C. Code § 15-501(a)(3)	This makes use of the remaining \$1,000 of the second wildcard.	C
Household goods worth . . .	\$425/item/8,625 aggregate if debtor is head of a family	D.C. Code § 15-501(a)(2)	Earmarked exemption.	C

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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FLORIDA



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$750	Fla. Stat. § 222.11	For head of household, the first \$750 is exempt; amounts over \$750 may be garnished only if debtor has agreed in writing.	B
A home worth . . .	No dollar cap	Fla. Const. art. X, § 4(a)(1); Fla. Stat. § 222.05	Limit on number of acres, but no dollar cap	A
A car worth . . .	\$5,000	Fla. Const. art. X, § (4)(a)(2); Fla. Stat. §§ 222.25	This combines an earmarked exemption of \$1,000 with a \$1,000 constitutional wildcard* and \$3,000 of a \$4,000 statutory wildcard that is available to a debtor who does not claim or benefit from the state homestead exemption.	C
A bank account worth . . .	\$1,000. In addition, wages remain exempt after deposit.	Fla. Const. art. X, § (4)(a)(2); Fla. Stat. §§ 222.11, 222.25	This makes use of the remaining \$1,000 of the statutory wildcard. <i>In re Rodale</i> , 452 B.R. 290 (Bankr. M.D. Fla. 2011) treats a “financial account” as “personal property” that can be protected by the \$4,000 wildcard. <i>See also In re Abbott</i> , 408 B.R. 903 (Bankr. S.D. Fla. 2009) (applying the wildcard exemption to a checking account).	C
Household goods worth . . .	No protection	Fla. Const. art. X, § (4)(a)(2); Fla. Stat. §§ 222.25	There is no earmarked exemption. If the wildcards are used to protect a \$5,000 car and \$1,000 in a bank account, nothing will be left to protect household goods.	F

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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GEORGIA



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Ga. Code Ann. § 18-4-5	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$21,500	Ga. Code Ann. § 44-13-1	This is 12% of the median home value in the state.	F
A car worth . . .	\$4,000	Ga. Code Ann. § 44-13-1	The only exemption available for a car is a \$5,000 wildcard.* This uses all but \$1,000 of the wildcard.	F
A bank account worth . . .	No protection	Ga. Code Ann. § 44-13-1	Since the wildcard can be used only for “real or personal property,” it is unclear whether any part of it can be applied to protect a bank account, so the remaining \$1,000 of the wildcard will be applied to household goods.	F
Household goods worth . . .	\$1,000	Ga. Code Ann. § 44-13-1	This uses the remainder of the wildcard.	F

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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HAWAII



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$257	Haw. Rev. Stat. § 652(1)(a)(4)	State protects all but 5% of the first \$100 in wages, all but 10% of the next \$100, and all but 20% of the remainder.	D
A home worth . . .	\$30,000 for head of family or elder	Haw. Rev. Stat. § 651-92	This is 5% of the median home value in the state.	F
A car worth . . .	\$2,575	Haw. Rev. Stat. § 651-1221(2)	Earmarked exemption.	D
A bank account worth . . .	No protection			F
Household goods worth . . .	No dollar cap	Haw. Rev. Stat. § 651-121(1)	All necessary furnishings, appliances, etc.	A

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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IDAHO



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	217.50	Idaho Code Ann. §§ 11-207, 11-712	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$100,000	Idaho Code §§ 11-1001 to 11-1003	This is 48% of the median home value in the state.	D
A car worth . . .	\$7,800	Idaho Code § 11-605(3), (10)	This combines a \$7,000 earmarked exemption with an \$800 wildcard.*	C
A bank account worth . . .	None, but wages remain exempt after deposit.	Idaho Code § 11-713	There is no earmarked exemption, and the wildcard is unavailable because it applies only to tangible personal property, but wages remain exempt after deposit.	C
Household goods worth . . .	\$7,500	Idaho Code § 11-605(1)	Earmarked exemption: \$750 for any single item, capped at \$7,500 in the aggregate.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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ILLINOIS



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$371.25	735 Ill. Comp. Stat. § 5/12-803; 740 Ill. Comp. Stat. § 170/4	Garnishment is limited to 15% of gross wages or the amount in excess of 45 times the federal or state minimum wage (\$8.25/hour).	C
A home worth . . .	\$15,000	735 Ill. Comp. Stat. § 5/12-901	This is 8% of the median home value in the state.	F
A car worth . . .	\$5,400	735 Ill. Comp. Stat. § 5/12-1001(b), (c)	This combines an earmarked exemption of \$2,400 with \$3,000 of a \$4,000 wildcard.*	C
A bank account worth . . .	\$1,000.	735 Ill. Comp. Stat. § 5/12-1001(b)	This makes use of the remaining \$1,000 of the second wildcard.	C
Household goods worth . . .	No protection	735 Ill. Comp. Stat. § 5/12-1001(b)	If the wildcard is used to protect a \$5,400 car and \$1,000 in a bank account, nothing will be left to protect household goods.	F

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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INDIANA



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Ind. Code § 24-4.5-5-105	State protects 75% of wages or 30 times the federal minimum wage, but garnishment can be reduced to as low as 10% of wages upon a showing of good cause.	D
A home worth . . .	\$19,300 (adjusted every 6 years for inflation)	Ind. Code §§ 34-55-10-2(c), 34-55-10-2.5, 34-55-10-14; 750 Ind. Admin. Code § 1-1-1	This is 14% of the median home value in the state.	F
A car worth . . .	\$9,250	Ind. Code § 34-55-10-2(c)(2)	The only exemption available for a car is a \$10,250 wildcard* (adjusted every 6 years for inflation) for tangible personal property. This uses all but \$1,000 of the wildcard.	C
A bank account worth . . .	\$400 (adjusted every 6 years for inflation)	Ind. Code § 34-55-10-2(c)(3); 750 Ind. Admin. Code § 1-1-1	Earmarked exemption.	D
Household goods worth . . .	\$1,000	Ind. Code § 34-55-10-2(c)(2)	There is no earmarked exemption. This uses the remaining \$1,000 of the wildcard.	F

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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IOWA



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$281	Iowa Code §§ 537.5105, 642.21	For debts arising from consumer contract, the state protects 75% or 40 times the minimum wage. In addition there is an annual cap: for a debtor at the poverty level the cap is \$1,500 per year.	D
A home worth . . .	No dollar cap	Iowa Code § 561.2	Limit on number of acres, but no dollar cap	A
A car worth . . .	\$8,000	Iowa Code § 627.6(9)	This combines a \$7,000 earmarked exemption with a \$1,000 wildcard.*	C
A bank account worth . . .	None, but deposited wages are exempt.	Iowa Code § 642.21(3)	Iowa Code § 642.21(3) protects compensation that is "paid or payable" <i>MidAmerica Savings Bank v. Miede</i> , 438 N.W.2d 837 (Iowa 1989) holds that deposited wages are protected.	C
Household goods worth . . .	\$7,000	Iowa Code § 626.6(5)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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KANSAS



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	217.50	Kan. Stat. Ann. § 60-2310	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	No dollar cap	Kan. Stat. Ann. § 60-2301	Limit on number of acres but no dollar cap	A
A car worth . . .	\$20,000	Kan. Stat. Ann. § 60-2304(c)	Earmarked exemption.	A
A bank account worth . . .	No protection			F
Household goods worth . . .	No dollar cap	Kan. Stat. Ann. § 60-2304(a)	All reasonably necessary household goods.	A

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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KENTUCKY



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Ky. Rev. Stat. Ann. § 427.010	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$5,000	Ky. Rev. Stat. Ann. § 427.060	This is 3.5% of the median home value in the state.	F
A car worth . . .	\$2,500	Ky. Rev. Stat. Ann. § 427.010(1)	Earmarked exemption.	D
A bank account worth . . .	No protection			F
Household goods worth . . .	\$3,000	Ky. Rev. Stat. Ann. § 427.010(1)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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LOUISIANA



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	La. Rev. Stat. Ann. § 13:3881	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$35,000 (100% of value for expenses of certain catastrophic illness; may not be seized for consumer credit card debt, but lien is created)	La. Rev. Stat. Ann. §§ 20:1, 13:3851.1	This is 22% of the median home value in the state.	F
A car worth . . .	\$7,500 (additional \$7,500 if adapted for disability)	La. Rev. Stat. Ann. § 13:3881(A)(7), (8)	Earmarked exemption.	C
A bank account worth . . .	No protection			F
Household goods worth . . .	No dollar cap	La. Rev. Stat. Ann. §§ 13:3881(A)(3), (A)(4)	Extensive list of household goods used by debtor or family.	A

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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MAINE



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$440	Maine Rev. Stat. Ann. tit. 9-A § 5-105(2)	State protects 75% of wages or 40 times the state minimum wage of \$11/hour.	C
A home worth . . .	\$95,000 for joint owners, elderly or disabled, or debtor with minor dependents (\$47,500 individual; \$190,000 joint owners and elderly or disabled)	Me. Rev. Stat. Ann. tit. 14, § 4422(1)	This is 50% of the median home value in the state.	C
A car worth . . .	\$7,900	Me. Rev. Stat. Ann. tit. 14, § 4422(2), (16)	This combines an earmarked exemption of \$7,500 with a \$400 wildcard.*	C
A bank account worth . . .	No protection		There is no earmarked exemption, and neither of two wildcards that the state provides may be used to protect a bank account.	F
Household goods worth . . .	No aggregate dollar cap.	Me. Rev. Stat. Ann. tit. 14, § 4422(3), (6), (8), (16)	Household goods are exempt without an aggregate dollar cap; there is a cap of \$200 per item for most items, but if the debtor does not use the homestead exemption a \$6,000 wildcard exemption is available and can be used to protect more expensive items.	A

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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MARYLAND



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Md. Code Ann. Com. Law § 15.601.1	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$6,000 wildcard* can be applied to real property.	Md. Code Ann. Cts. & Jud. Proc. § 11-504	This is 2% of the median home value in the state.	F
A car worth . . .	\$5,000	Md. Code Ann. Cts. & Jud. Proc. § 11-504(b)(5)	The only exemption available for a car is a \$6,000 wildcard that is available if the debtor does not use the homestead exemption. This uses all but \$1,000 of the wildcard.	C
A bank account worth . . .	\$1,000	Md. Code Ann. Cts. & Jud. Proc. § 11-504(b)(5)	This uses the remaining \$1,000 of the wildcard.	C
Household goods worth . . .	\$1,000	Md. Code Ann. Cts. & Jud. Proc. § 11-504(b)(4)	Earmarked exemption.	F

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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MASSACHUSETTS **B**

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$600	Mass. Gen. Laws Ch. 246, § 28	State protects 85% of gross wages or 50 times the greater of the federal or state minimum wage (\$12/hour).	B
A home worth . . .	\$500,000 (declared)	Mass. Gen. Laws Ch. 188, § 1	This is more than 100% of the median home value in the state.	A
A car worth . . .	\$13,500	Mass. Gen. Laws Ch. 235, §§ 34(16), (17)	This combines an earmarked exemption of \$7,500 with \$1,000 of a general wildcard* and \$5,000 of certain unused exemptions.	B
A bank account worth . . .	\$2,500	Mass. Gen. Laws Ch. 235, § 34(14), Ch. 246, § 28	Earmarked exemption.	B
Household goods worth . . .	\$15,000	Mass. Gen. Laws Ch. 235, § 34(1), (2), (12)	Earmarked exemption.	B

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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MICHIGAN



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	217.50	Mich. Comp. Laws § 600.5311	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$3,500	Mich. Comp. Laws §§ 600.6023, 600.6024, 559.214	This is 2% of the median home value in the state.	F
A car worth . . .	\$1,000	Mich. Comp. Laws § 600.6023(1)	Earmarked exemption for a motor vehicle “to enable a person to carry on the profession, trade, occupation, or business in which the person is principally engaged.”	F
A bank account worth . . .	No protection			F
Household goods worth . . .	\$1,000	Mich. Comp. Laws § 600.6023(1)	Earmarked exemption.	F

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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MINNESOTA



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$290	Minn. Stat. §§ 550.37(13), 571.922	State protects 75% of wages or 40 times the federal minimum wage. It also exempts wages of anyone who is, or was within the last 6 months, eligible for public assistance.	D
A home worth . . .	\$420,000. (\$1,050,000 for a farm), adjusted biennially for inflation	Minn. Stat. §§ 510.01, 510.02, 550.37(12)	This is more than 100% of the median home value in the state.	A
A car worth . . .	\$4,800. (\$48,000 if modified for disability), adjusted biennially for inflation	Minn. Stat. § 550.37(12a)	Earmarked exemption.	D
A bank account worth . . .	None, but wages remain exempt after deposit for 20 days if traceable.	Minn. Stat. § 550.37(13)		C
Household goods worth . . .	\$10,800 Adjusted biennially for inflation.	Minn. Stat. § 550.37(4)	Earmarked exemption.	C

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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MISSISSIPPI D

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Miss. Code Ann. § 85-3-4	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$75,000	Miss. Code Ann. § 85-3-21, 85-3-1(d)	This is 62% of the median home value in the state.	C
A car worth . . .	\$9,000	Miss. Code Ann. § 85-3-1	The only exemption available for a car is a \$10,000 wildcard.* This uses all but \$1,000 of the wildcard.	C
A bank account worth . . .	\$1,000	Miss. Code Ann. § 85-3-1	This uses the remaining \$1,000 of the wildcard, which can be applied to “cash on hand.”	C
Household goods worth . . .	No protection	Miss. Code Ann. § 85-3-1	If the wildcard is used to protect a \$9,000 car and \$1000 in a bank account, nothing will be left to protect household goods.	F

*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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MISSOURI



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$261.00	Mo. Rev. Stat. § 525.030	State protects 90% of wages if the debtor is the head of a family.	D
A home worth . . .	\$15,000	Mo. Rev. Stat. § 513.475	This is 10% of the median home value in the state.	F
A car worth . . .	\$5,550	Mo. Rev. Stat. §§ 513.430(1)(3), (1)(5), 513.440	This combines an earmarked exemption of \$3,000 with a \$600 general wildcard,* an additional \$1,250 wildcard that is available to a debtor who is the head of a household, and two exemptions of \$350 that are available for each dependent child.	C
A bank account worth . . .	No protection		If the wildcards are used to protect a \$5,550 car, nothing will be left to protect a bank account.	F
Household goods worth . . .	\$3,000	Mo. Rev. Stat. §513.430(1)(1)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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MONTANA



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Mont. Code Ann. § 25-13-614	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$250,000	Mont. Code Ann. §§ 70-32-101, 70-32-104	This is more than 100% of the median home value in the state.	A
A car worth . . .	\$2,500	Mont. Code Ann. § 25-13-609(2)	Earmarked exemption.	D
A bank account worth . . .	None, but protects earnings for 45 days after receipt if traceable	Mont. Code Ann. § 25-13-610(2), (3)		C
Household goods worth . . .	\$4,500 aggregate; \$600/item	Mont. Code Ann. § 25-13-609(1)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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NEBRASKA D

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$246.50	Neb. Rev. Stat. § 25-1558	State protects 85% of wages of the head of a household.	D
A home worth . . .	\$60,000	Neb. Rev. State §§ 40-101, 40-102	This is 39% of the median home value in the state.	D
A car worth . . .	\$9,000 (to be adjusted for inflation every five years beginning in 2023)	Neb. Rev. Stat. §§ 25-1556(4), 25-1552	This combines an earmarked exemption of \$5,000 with \$4,000 of a \$5,000 wildcard.*	C
A bank account worth . . .	\$1,000. Wages exempt for 60 days from start of proceeding.	Neb. Rev. Stat. §§ 25-1552, 25-1560	This makes use of the remaining \$1,000 of the wildcard.	C
Household goods worth . . .	\$3,000 (to be adjusted for inflation every five years beginning in 2023)	Neb. Rev. Stat. § 25-1556(4)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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NEVADA

B

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	362.50	Nev. Rev. Stat. §§ 22.090(1)(g), 31.295.2	State protects 82% of wages or 50 times the federal minimum wage.	C
A home worth . . .	\$605,000	Nev. Rev. Stat. § 115.010	This is more than 100% of the median home value in the state.	A
A car worth . . .	\$15,000	Nev. Rev. Stat. § 21.090(1)(f)	Earmarked exemption.	A
A bank account worth . . .	\$10,400	Nev. Rev. Stat. §§ 21.090(1)(g)(2), (z), 21.105	This makes use of a \$400 automatic protection, plus a \$10,000 wildcard.* In addition, wages remain exempt after deposit.	A
Household goods worth . . .	\$12,000	Nev. Rev. Stat. § 21.090(1)(b)	Earmarked exemption.	B

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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NEW HAMPSHIRE

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$362.50	N.H. Rev. Stat. Ann. § 512:21	State protects 50 times the federal minimum wage.	C
A home worth . . .	\$120,000	N.H. Rev. Stat. Ann. § 480:1	This is 45% of the median home value in the state.	D
A car worth . . .	\$9,000	N.H. Rev. Stat. Ann. § 511:2(XVI), (XVII)	This combines an earmarked exemption of \$4,000 with a \$1,000 general wildcard.* In addition, a second wildcard consists of up to \$7,000 of certain unused exemptions. If the debtor does not use the \$5,000 exemption for tools of the trade, that amount will be available for this second wildcard. If the debtor uses \$4,000 of this second wildcard, a car worth \$9,000 can be protected.	C
A bank account worth . . .	\$1,000	N.H. Rev. Stat. Ann. § 511:2 (XVII)	This makes use of the remaining \$1,000 of the second wildcard.	C
Household goods worth . . .	\$3,500	N.H. Rev. Stat. Ann. § 511:2(II) to (VI), (XX)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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NEW JERSEY



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$261.00	N.J. Stat. Ann. § 2A:17-56	State protects 90% of wages if the debtor is under 250% of the federal poverty level.	D
A home worth . . .	No protection			F
A car worth . . .	\$1,000	N.J. Stat. Ann. § 2A:17-19	The only exemption available for a car is a \$1,000 wildcard* for all personal property.	F
A bank account worth . . .	No protection	N.J. Stat. Ann. § 2A:17-19		F
Household goods worth . . .	\$1,000	N.J. Stat. Ann. § 2A:26-4	Earmarked exemption.	F

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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NEW MEXICO C

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$290	N.M. Stat. Ann. § 35-12-7	State protects 75% of wages or 40 times the federal minimum wage	D
A home worth . . .	\$60,000	N.M. Stat. Ann. § 42-10-9	This is 35% of the median home value in the state.	D
A car worth . . .	\$8,500	N.M. Stat. Ann. §§ 42-10-1, 42-10-2, 42-10-10	This combines an earmarked exemption of \$4,000 with a \$500 exemption for the head of the household and all but \$1,000 of a second \$5,000 wildcard* that is available to a debtor who does not use the homestead exemption.	C
A bank account worth . . .	\$1,000	N.M. Stat. Ann. § 42-10-10	This makes use of the remaining \$1,000 of the second wildcard.	C
Household goods worth . . .	No dollar cap	N.M. Stat. Ann. §§ 42-10-1, 42-10-2	All furniture is protected.	A

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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NEW YORK

B

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$450	N.Y. C.P.L.R. § 5231; N.Y. Soc. Serv. Law § 137-a	Garnishment is limited to 10% of gross wages, or amount in excess of 30 times the federal or state minimum wage (\$15/hour for large employers in NYC, less for small employers and other locations). In addition, state does not allow garnishment of the wages of a person who receives public assistance, or would be qualified to receive public assistance if the amount of the garnishment were deducted from their earnings.	C
A home worth . . .	\$170,825 for the 10 most populous counties, less for other counties; adjusted triennially for inflation.	N.Y. C.P.L.R. §§ 5206, 5253	This is 31% of the median home value in those counties.	D
A car worth . . .	\$5,700 Adjusted triennially for inflation.	N.Y. C.P.L.R. §§ 5205(a)(8), (9), 5253	This combines an earmarked exemption of \$4,550 with a wildcard* of \$1,150 that is available to a debtor who does not use the homestead exemption.	C
A bank account worth . . .	\$3,600	N.Y. C.P.L.R. §§ 5205(l)	A bank account containing 240 times the greater of the federal or state minimum wage is exempt. The minimum wage is \$15/hour for large employers in NYC, less for small employers and other locations.	A
Household goods worth . . .	No dollar cap	N.Y. C.P.L.R. §§ 5205(a)(1) to (5), 5253	State protects an extensive list of goods, including all stoves, home heating equipment, furniture, and one refrigerator.	A

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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NORTH CAROLINA C

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	All wages exempt.	N.C. Gen. Stat. § 1-362		A
A home worth . . .	\$35,000 (\$60,000 for certain elderly surviving spouses)	N.C. Gen. Stat. § 1C-1601(a)(1), (e)	This is 20% of the median home value in the state.	F
A car worth . . .	\$7,500	N.C. Gen. Stat. § 1C-1601(a)(2), (5)	This combines an earmarked exemption of \$3,500 with all but \$1,000 of a \$5,000 wildcard* that is available to a debtor who does not use the homestead exemption.	C
A bank account worth . . .	\$1,000. Deposited wages also protected.	N.C. Gen. Stat. § 1C-1601(a)(2)	This makes use of the remaining \$1,000 of the wildcard.	C
Household goods worth . . .	\$7,000	N.C. Gen. Stat. § 1C-1601(a)(4)	Earmarked exemption of \$5,000 plus two exemptions of \$1,000 (one for each of two dependent children).	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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NORTH DAKOTA

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$330	N.D. Cent. Code §32-09.1-03	State protects 75% of wages or 40 times the federal minimum wage, plus \$20 per dependent.	D
A home worth . . .	\$100,000	N.D. Cent. Code § 47-18-01	This is 51% of the median home value in the state.	C
A car worth . . .	\$15,000	N.D. Cent. Code §§ 28-22-03.1(1), (2), 28-22-05	This combines an earmarked exemption of \$2,950 with a \$7,500 wildcard* that is available to the head of a household and \$4,550 of a second wildcard of \$10,000 that is available for a debtor who does not use the homestead exemption.	A
A bank account worth . . .	\$3,000	N.D. Cent. Code § 28-22-03.1(1)	This makes use of \$3,000 of the second wildcard.	A
Household goods worth . . .	\$2,450	N.D. Cent. Code § 28-22-03.1(1)	This makes use of the remaining \$2,450 of the second wildcard.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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OHIO



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Ohio Rev. Code Ann. § 2329.66 (A) (13)	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$145,425	Ohio Rev. Code Ann. § 2329.66	This is slightly more than the median home value in the state.	A
A car worth . . .	\$4,000 (adjusted triennially for inflation)	Ohio Rev. Code Ann. §§ 2329.66(A) (2), 2329.661(B)	Earmarked exemption.	D
A bank account worth . . .	\$500 (adjusted triennially for inflation)	Ohio Rev. Code Ann. §§ 2329.66(A) (3), 2329.661(B)	Earmarked exemption.	D
Household goods worth . . .	\$13,400 aggregate, \$625 per item (adjusted triennially for inflation)	Ohio Rev. Code Ann. §§ 2329.66(A) (4), 2329.661(B)	Earmarked exemption.	B

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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OKLAHOMA

B

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Okla. Stat. Ann., tit. 12, § 1171.1; tit. 31 §§ 1(18), 1.1	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage, but judge can protect more in case of hardship.	D
A home worth . . .	No dollar cap, except that urban homestead is capped at \$5,000 if less than 75% of parcel is used as principal residence.	Okla. Stat. Ann. tit. 31, §§ 1, 2	Limit on number of acres, but no dollar cap	A
A car worth . . .	\$7,500	Okla. Stat. Ann. tit. 31, § 1(13)	Earmarked exemption.	C
A bank account worth . . .	None, but deposited wages remain exempt.	Okla. Stat. Ann. tit. 31, § 1(18)		C
Household goods worth . . .	No dollar cap	Okla. Stat. Ann. tit. 31, § 1(3), (6)	All household furniture, including a personal computer.	A

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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OREGON



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$254.00	Or. Rev. Stat. § 18.385	State protects the greater of 75% of wages or \$254/wk.	D
A home worth . . .	\$40,000 (joint debtors \$50,000)	Or. Rev. Stat. § 18.395	This is 13% of the median home value in the state.	F
A car worth . . .	\$3,000	Or. Rev. Stat. §18.345(1)(a)	Earmarked exemption.	D
A bank account worth . . .	\$400. In addition, wages remain exempt in bank account, up to \$7,500, if traceable.	Or. Rev. Stat. §§18.345(1)(p), 18.348	No earmarked exemption, but \$400 wildcard* may be used for bank account, and deposited wages remain exempt.	C
Household goods worth . . .	\$3,000	Or. Rev. Stat. §18.345(1)(f)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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PENNSYLVANIA **D**

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	All wages exempt for most debts	42 Pa. Cons. Stat. Ann. § 8127		A
A home worth . . .	\$300	42 Pa. Cons. Stat. Ann. § 8123	A \$300 wildcard* can be applied to home.	F
A car worth . . .	\$300	42 Pa. Cons. Stat. Ann. § 8123	The only exemption available for a car is the \$300 wildcard.	F
A bank account worth . . .	No protection	42 Pa. Cons. Stat. Ann. § 8123	If the wildcard is used to protect a \$300 car, nothing will be left to protect a bank account.	F
Household goods worth . . .	No protection	42 Pa. Cons. Stat. Ann. § 8123	If the wildcard is used to protect a \$300 car, nothing will be left to protect household goods.	F

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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PUERTO RICO **B**

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	P.R. Laws Ann. tit. 32, § 1130	Puerto Rico protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	No dollar cap	P.R. Laws Ann. tit. 31, § 1858		A
A car worth . . .	No cap if tool of trade, but otherwise non-exempt.	P.R. Laws Ann. tit. 32, § 1130(4)(a)		A
A bank account worth . . .	None, but deposited wages may be protected.	P.R. Laws Ann. tit. 32, § 1130(7)	Statute protects 75% of the debtor's wages earned within past 30 days if debtor submits affidavit showing that the wages are necessary for the use of the debtor's dependent family.	C
Household goods worth . . .	No dollar cap	P.R. Laws Ann. tit. 32, § 1130(2), (14)	Necessary household furniture, plus capped earmarked exemptions for certain appliances.	A

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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RHODE ISLAND C

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	R.I. Gen. Laws § 9-26-4	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage, but also prohibits garnishment for one year after receipt of public assistance.	D
A home worth . . .	\$500,000 (significant exceptions)	R.I. Gen. Laws § 9-26-4.1	This is more than 100% of the median home value in the state.	A
A car worth . . .	\$12,000	R.I. Gen. Laws § 9-26-4(13)	Earmarked exemption.	B
A bank account worth . . .	No protection			F
Household goods worth . . .	\$9,600	R.I. Gen. Laws § 9-26-4(3)	Earmarked exemption.	C

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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SOUTH CAROLINA B

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	All wages exempt	S.C. Code Ann. §§ 15-39-410, 16-39-420		A
A home worth . . .	\$60,975 (multiple owners \$121,950; updated biennially for inflation)	S.C. Code Ann. § 15-41-30(A)(1), (B)	This is 36% of the median home value in the state.	D
A car worth . . .	\$12,200	S.C. Code Ann. § 15-41-30(A)(2), (7)	This combines a \$6,100 earmarked exemption with a \$6,100 wildcard* exemption that is available to the extent that the debtor does not use the homestead exemption or certain other exemptions.	B
A bank account worth . . .	\$6,100	S.C. Code Ann. § 15-41-30(A)(5)	This makes use of a \$6,100 exemption for cash or liquid assets that is available to a debtor who does not use the homestead exemption.	A
Household goods worth . . .	\$4,875	S.C. Code Ann. § 15-41-30(A)(3)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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SOUTH DAKOTA C

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$414	S.D. Codified Laws § 21-18-51	State protects 80% of wages, or 40 times the federal or state minimum wage (\$9.10/hr.), plus \$25 per dependent.	C
A home worth . . .	No dollar cap	S.D. Codified Laws §§ 43-31-1 to 43-31-4	Limit on number of acres but no dollar cap	A
A car worth . . .	\$6,000	S.D. Codified Laws § 43-45-4	The only exemption available for a car is a \$7,000 wildcard* that is available to the head of a family. This uses all but \$1,000 of the wildcard.	C
A bank account worth . . .	\$1,000	S.D. Codified Laws § 43-45-4	This uses the remainder of the wildcard.	C
Household goods worth . . .	No protection		If the wildcard is used to protect a \$6000 car and \$1000 in a bank account, nothing will be left to protect household goods.	F

**A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.*

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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TENNESSEE



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$222.50	Tenn. Code Ann. §§ 26-2-106, 26-2-107	State protects 75% of wages or 30 times the federal minimum wage, plus \$2.50 per week for each dependent child under age 16.	D
A home worth . . .	\$25,000 if supporting minor child, or if both owners over age 62 (multiple owners \$7500; \$5000 if none of the above).	Tenn. Code Ann. § 26-2-301	This is 15% of the median home value in the state.	F
A car worth . . .	\$9,000	Tenn. Code Ann. § 26-2-103	The only exemption available for a car is a \$10,000 wildcard.* This uses all but \$1,000 of the wildcard.	C
A bank account worth . . .	\$1,000	Tenn. Code Ann. § 26-2-103	This uses the remainder of the wildcard.	C
Household goods worth . . .	No protection		If the wildcard is used to protect a \$9,000 car and \$1000 in a bank account, nothing will be left to protect household goods.	F

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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TEXAS

B

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	All wages exempt	Tex. Prop. Code Ann. § 42.001		A
A home worth . . .	No dollar cap	Tex. Const. art. 16, § 50; Tex. Prop. Code § 41.002	Limit on number of acres but no dollar cap	A
A car worth . . .	\$15,000	Tex. Prop. Code Ann. §§ 42.001, 42.002	A wildcard* of \$100,000 for a family (\$50,000 for a single adult) is available to protect a car. This uses \$15,000 of the wildcard.	A
A bank account worth . . .	No protection		No earmarked exemption. The wildcard applies only to personal property and cannot be used to protect a bank account.	F
Household goods worth . . .	\$85,000	Tex. Prop. Code Ann. §§ 42.001, 42.002	This uses the remaining \$85,000 of the wildcard.	B

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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UTAH

F

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Utah Code Ann. § 70C-7-103(2)	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$42,000. (multiple owners, \$84,000; to be updated for inflation annually, starting on 12/31/2019).	Utah Code Ann. § 78B-5-503.	This is 15% of the median home value in the state.	F
A car worth . . .	\$3,000	Utah Code Ann. § 78B-5-506(3)	Earmarked exemption.	D
A bank account worth . . .	No protection			F
Household goods worth . . .	\$4,000	Utah Code Ann. §§ 78B-5-505, 78B-5-506	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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VERMONT



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$290	Vt. Stat. Ann. tit. 12, § 3170	If debt arose from a consumer credit transaction, state protects 85% of wages or 40 times the federal minimum wage. More is protected if debtor shows need.	D
A home worth . . .	\$125,000	Vt. Stat. Ann. tit. 27, § 101	This is 55% of the median home value in the state.	C
A car worth . . .	\$9,900	Vt. Stat. Ann. tit. 12, § 2740(1), (7)	This combines an earmarked exemption of \$2,500 with a \$400 wildcard* and a second wildcard of up to \$7,000 that is available to the extent that the debtor does not use the exemptions for tools of the trade, growing crops, and certain others.	C
A bank account worth . . .	\$700		Earmarked exemption.	D
Household goods worth . . .	\$2,500	Vt. Stat. Ann. tit. 12, § 2740(8) to (14)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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VIRGIN ISLANDS **D**

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$261	V.I. Code Ann. tit. 5, § 522	The jurisdiction protects 90% of wages.	D
A home worth . . .	\$300,000	V.I. Code Ann. tit. 5, § 478	This is more than the median home value in the state.	A
A car worth . . .	No protection			F
A bank account worth . . .	No protection			F
Household goods worth . . .	\$3,000 (if debtor is head of household)	V.I. Code Ann. tit. 5, § 479(3)	Earmarked exemption.	D

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VIRGINIA



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$344	Va. Code Ann. §§ 34-29(a), 34-4.2	State protects 75% of wages or 40 times the federal minimum wage. If household income does not exceed \$1,750/month, the state provides an additional exemption of \$34/week for one dependent child, \$52/week for two, and \$66/week for three or more.	D
A home worth . . .	\$5,000, plus \$500 per dependent (additional \$10,000 for certain disabled veterans; \$10,000 elder)	Va. Code Ann. §§ 34-4, 34-4.1	This is 2% of the median home value in the state.	F
A car worth . . .	\$11,000	Va. Code Ann. §34-4	This combines an earmarked exemption of \$6,000 with all but \$1,000 of a wildcard* consisting of \$5,000 plus \$500 per dependent.	B
A bank account worth . . .	\$1,000	Va. Code Ann. § 3404	This makes use of the remaining \$1,000 of the wildcard.	C
Household goods worth . . .	\$5,000	Va. Code Ann. § 34-26(4a)	Earmarked exemption	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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WASHINGTON C

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$420	Wash. Rev. Code § 6.27.150	For consumer debts, the state protects 80% of disposable earnings or 35 times the state minimum wage (\$12/hr.); otherwise, 75% of wages or 35 times state minimum wage.	C
A home worth . . .	\$125,000	Wash. Rev. Code §§ 6.13.010, 6.13.030	This is 37% of the median home value in the state.	D
A car worth . . .	\$5,250	Wash. Rev. Code § 6.15.010(1)(d)(ii), (iii)	This combines a \$3,250 earmarked exemption with \$2,000 of a \$3,000 wildcard*	C
A bank account worth . . .	\$1,000	Wash. Rev. Code § 6.15.010(1)(d)(ii)	This makes use of the remaining \$1,000 of the wildcard. (The statute allows up to \$2,000 of the wildcard to be applied to a bank account in the case of consumer debts).	C
Household goods worth . . .	\$6,500 aggregate. \$750/item	Wash. Rev. Code § 6.15.010(1)(d)(i)		D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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WEST VIRGINIA

A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$362.50	W.Va. Code § 38-5A-3	State protects 80% of wages or 50 times the federal minimum wage.	C
A home worth . . .	\$5,000 for parent or married person (\$7,500 for certain medical debts)	W.Va. Code §§ 38-9-1 to 38-9-3	This is 4% of the median home value in the state.	F
A car worth . . .	\$6,000	W.Va. Code §§ 38-8-1(a)(1), (b)	This combines an earmarked exemption of \$5,000 with a wildcard* of \$1,000 that is available to the head of a household.	C
A bank account worth . . .	\$1,100	W.Va. Code § 38-8-1(4)	Earmarked exemption.	C
Household goods worth . . .	\$8,000	W.Va. Code § 38-8-1(a)(2)	Earmarked exemption.	C

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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WISCONSIN



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$495.19	Wis. Stat. §§ 812.34, 812.38	The federal poverty amount, based on family size, is exempt. Garnishment can also be reduced in case of hardship.	B
A home worth . . .	\$75,000	Wis. Stat. § 815.20	This is 42% of the median home value in the state.	D
A car worth . . .	\$4,000	Wis. Stat. § 815.18(3)(g)	Earmarked exemption.	D
A bank account worth . . .	\$5,000	Wis. Stat. § 815.18(3)(k)	Earmarked exemption.	A
Household goods worth . . .	\$12,000	Wis. Stat. § 815.18(3)(d)	Earmarked exemption.	B

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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WYOMING



A person who is supporting two children and working full-time at minimum wage can preserve . . .

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of . . .	\$217.50	Wyo. Stat. Ann. §§ 1-15-408, 1-15-511	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth . . .	\$20,000	Wyo. Stat. Ann. §§ 1-20-101 to 1-20-104	This is 9% of the median home value in the state.	F
A car worth . . .	\$5,000	Wyo. Stat. Ann. § 1-20-106(a)(iv)	Earmarked exemption	C
A bank account worth . . .	No protection			F
Household goods worth . . .	\$4,000	Wyo. Stat. Ann. §§ 1-20-106(a)(iii)	Earmarked exemption	D

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