Every state has a set of exemption laws, intended to prevent creditors from pushing consumers and their families into destitution. But a report from the National Consumer Law Center, No Fresh Start in 2019: How States Still Let Debt Collectors Push Families into Poverty, finds that few states’ exemption laws meet even the most basic standards.

Key Recommendations
State exemption laws should be reformed to:

- **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**.
- **Protect a living wage for working debtors** that will meet basic needs.
- **Protect a reasonable amount of money in a bank account** so that debtors can pay commuting costs as well as upcoming rent and utility bills.
- **Protect retirees from destitution** by restricting the 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.