



National Consumer Law Center
Fighting Together for Economic Justice

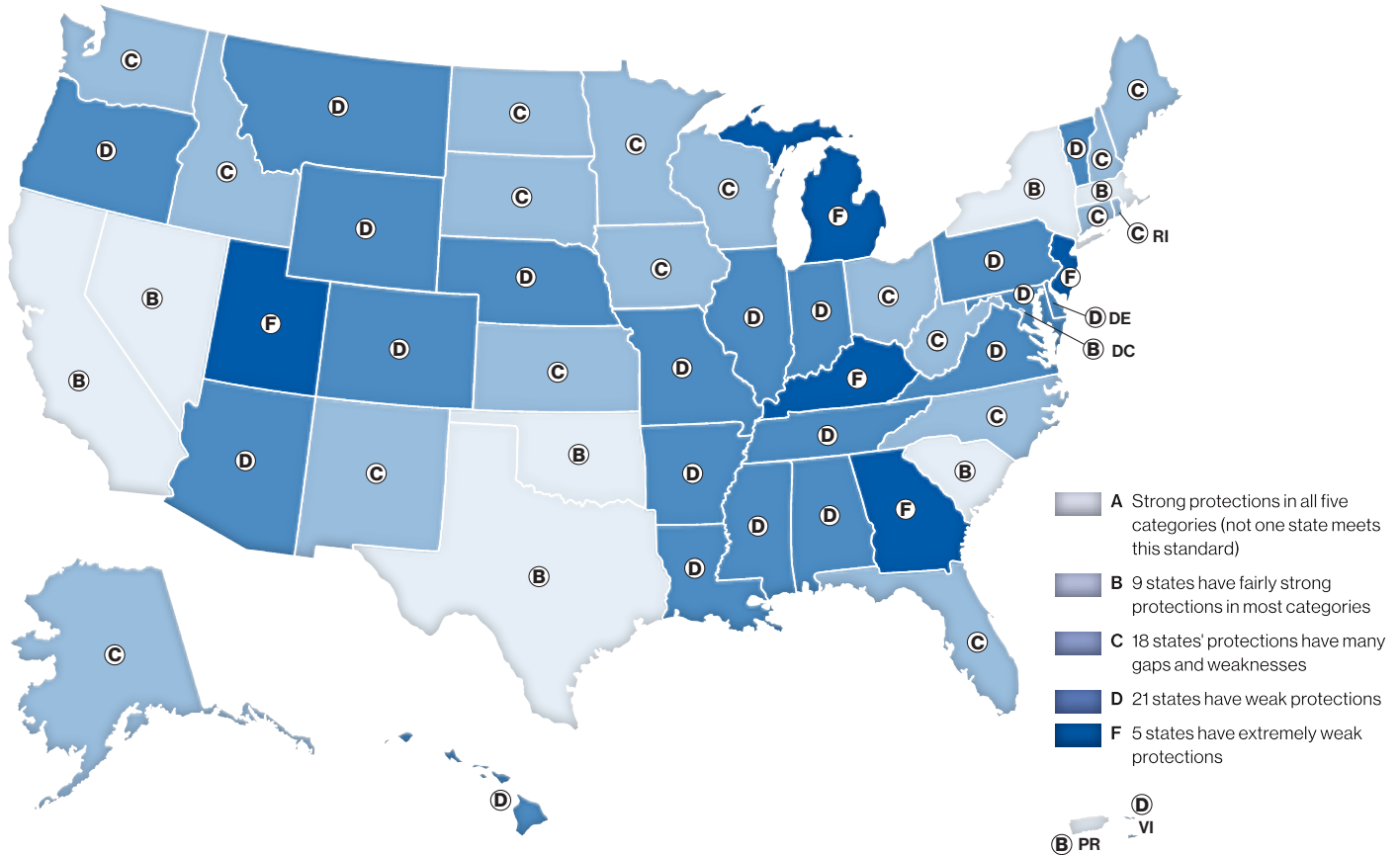
NO FRESH START 2020

WILL STATES LET DEBT COLLECTORS PUSH FAMILIES INTO POVERTY IN THE WAKE OF A PANDEMIC?

<http://bit.ly/rpt-no-fresh-start>

Every state has a set of exemption laws, intended to prevent creditors from pushing families into destitution. But a report from the National Consumer Law Center, [No Fresh Start 2020: Will States Let Debt Collectors Push Families into Poverty in the Wake of a Pandemic?](#) finds that few states' exemption laws meet even the most basic standards. With weak exemption laws, families struggling to get back on their feet after the COVID-19 pandemic will face seizure of wages and essential property due to a wave of debt collector lawsuits. Weak exemption laws will impede economic recovery and exacerbate the racial wealth gap.

OVERALL RATINGS: THE STRENGTH OF STATE PROTECTIONS FOR FAMILY FINANCES



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 and 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, upcoming rent, and utility bills.
- Protect retirees from destitution by restricting the ability to seize retirement funds.
- Close loopholes and be automatically updated for inflation.
- Be self-enforcing to the extent possible.