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 2021: Will States Let Debt Collectors Push Families into Poverty as Pandemic Protections Expire? 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.

**Key Recommendations**

State exemption laws should be reformed to:
- Protect a **living wage** from seizure by creditors.
- Automatically protect a **reasonable amount of money on deposit** so that families can meet several months of basic needs such as rent, daycare, utility bills, and commuting expenses.
- Preserve the **debtor’s ability to work**, by protecting a working car, work tools and work equipment.
- Protect the family’s **housing and necessary household goods**.
- 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.
- Be **self-enforcing to the extent possible**.