



LAWSUITS ON CONSUMER DEBTS

Lawsuits are a common method used to collect alleged consumer debts, and these lawsuits make up a [large percentage of the civil court docket around the country](#). Court traffic creates a substantial risk of spreading the virus to litigants, attorneys, court personnel, and the public.

Until the state of emergency is lifted, states should do the following to reduce court traffic:

- Postpone hearings for collection lawsuits (or at a minimum suspend the entry of default judgments);
- Communicate postponement directly to affected consumers and also widely publicize the postponement of collection lawsuits; and
- Delay entry of judgments against consumers in any pending civil cases, including agreements for judgment negotiated by the parties.

POST-JUDGMENT COLLECTIONS OF CONSUMER DEBTS

When judgments enter against consumers in collection lawsuits, creditors have access to powerful new collection tools like garnishment that may leave consumers without enough money to pay for basic expenses.

Until 120 days after the state of emergency is lifted, states should do the following to ensure that collection of judgments on old consumer debts does not harm struggling consumers:

- Stay enforcement of all existing judgments, including new and existing:
 - Wage garnishment orders,
 - Bank account garnishment orders,
 - Offsets against benefits or tax returns,
 - Seizure of personal property, and
 - Liens;
- Require any property seized after the date of the stay to be returned;
- Postpone any post-judgment hearings such as payment reviews;
- Cease issuance and enforcement of any civil arrest warrants in collection lawsuits;
- Waive post-judgment interest;
- Exempt any coronavirus-related stimulus payments from garnishment; and
- Suspend due dates on payments for current settlements with payment plans without any penalty to the consumer.

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