



National  
Consumer Law  
Center  
*Fighting Together  
for Economic Justice*

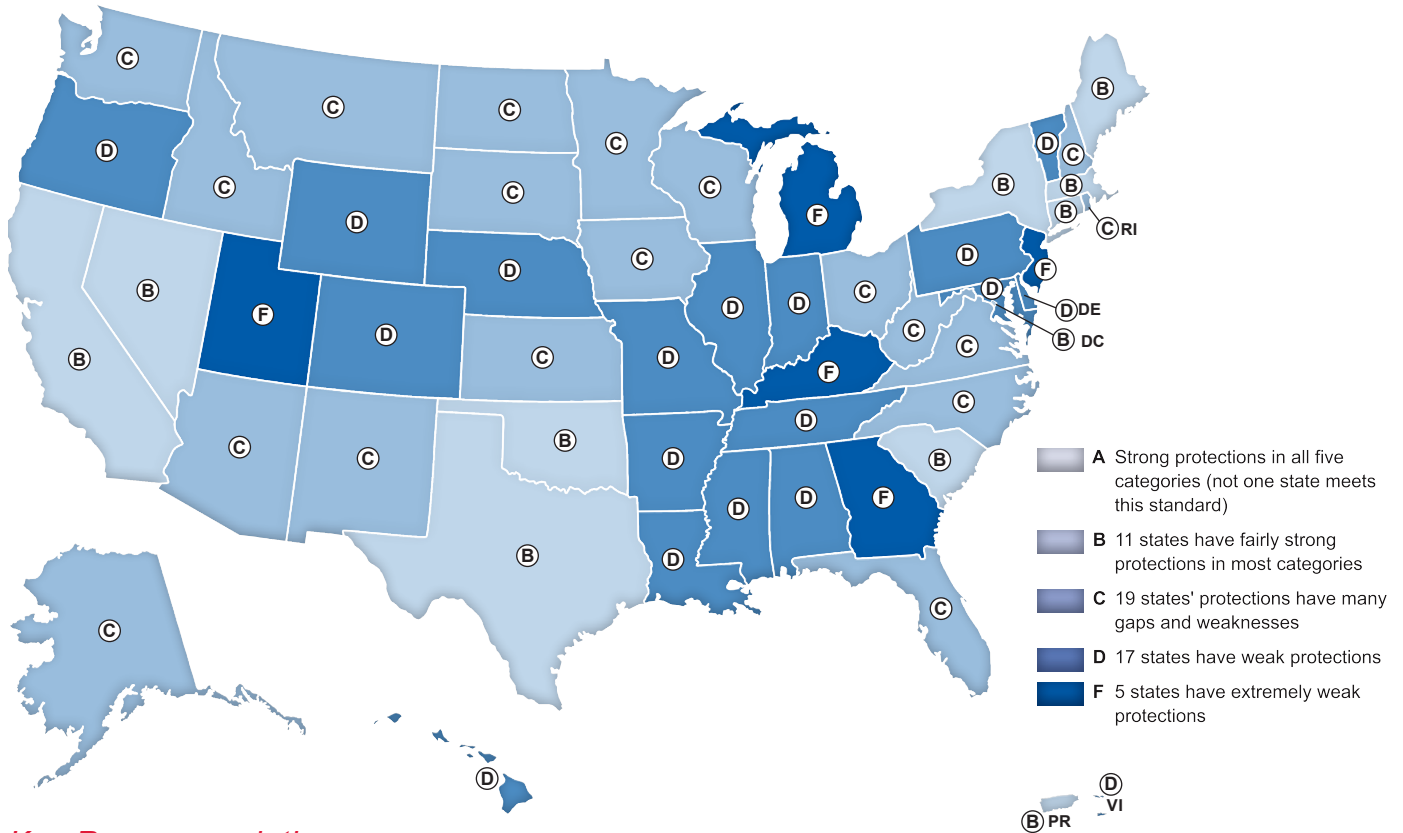
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# NO FRESH START 2021

## WILL STATES LET DEBT COLLECTORS PUSH FAMILIES INTO POVERTY AS PANDEMIC PROTECTIONS EXPIRE?

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.

### MAP 1 OVERALL RATINGS: THE STRENGTH OF STATE PROTECTIONS FOR FAMILY FINANCES



### 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.**