



# NO FRESH START 2020

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



National  
Consumer Law  
Center  
*Fighting Together  
for Economic Justice*

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Consumer Law  
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for Economic Justice*

## ABOUT THE NATIONAL CONSUMER LAW CENTER

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services; and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state governments and courts across the nation to stop exploitive practices, help financially stressed families build and retain wealth, and advance economic fairness.

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## EXECUTIVE SUMMARY

State exemption laws, which protect income and property from seizure by creditors, are a fundamental safeguard for families. Exemption laws are designed to protect consumers and their families from poverty, and to preserve their ability to be productive members of society and achieve financial rehabilitation.

Never has the need for strong exemption laws been so starkly apparent. The COVID-19 pandemic has exposed the enormous gaps in the states' exemption laws. Only when stimulus checks started going out to families' bank accounts and were being garnished by debt collectors did many states realize that they had *no* laws to protect a basic amount in a family's bank account. As workers lost jobs and hours, states scrambled to institute moratoriums on wage garnishment, bank account garnishment, and collection lawsuits. But these moratoriums are temporary and some have already expired. Once the pandemic recedes, families struggling to get back on their feet are likely to face a wave of lawsuits for medical bills, back rent, credit card debt, the balance due on repossessed cars, and even utility bills.

Weak exemption laws also exacerbate the racial wealth gap. Communities of color are disproportionately burdened by debt, disproportionately subject to judgments in collection lawsuits, and disproportionately subject to wage garnishment. Because of longstanding discrimination, Black and Latinx households have less wealth and less of a safety net to draw on during challenging financial times. Communities of color have disproportionately suffered the effects of the pandemic—not just job loss and financial hardship but also illness and death.

Without improved exemption laws, garnishment and similar methods of enforcing judgments in collection actions will drain away the wages and resources that families need — and that the local economy needs them to spend at Main Street businesses. Reform of exemption laws will not only protect families from destitution but will act as an economic recovery tool that will steer money into state and local communities.

This National Consumer Law Center report surveys the exemption laws of the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. Despite the importance of state exemption laws, this report finds that *not one* jurisdiction meets five basic standards:

- Preventing debt collectors from seizing so much of the debtor's wages that the debtor is pushed below a living wage;
- Allowing the debtor to keep a used car of at least average value;
- Preserving the family's home—at least a median-value home;

- Preserving a reasonable amount in a bank account so that the debtor has minimal funds to pay such essential costs as rent, utilities, and commuting expenses for several months; and
- Preventing seizure and sale of the debtor's necessary household goods.

**Best states:** Massachusetts, which modernized its archaic exemption laws in 2010, and Nevada, which also recently improved its laws, come closest to meeting these five basic standards, each rating a high B grade. Solid B states include California, the District of Columbia, Puerto Rico, and Texas. New York, Oklahoma, and South Carolina rate low B grades. Kansas, North Dakota, and Wisconsin fall just below a B.

**Worst states:** At the opposite end of the scale are several states whose exemption laws reflect indifference to struggling debtors. These states allow debt collectors to seize nearly everything a debtor owns, even the minimal items necessary for the debtor to continue working and providing for a family. Georgia, Kentucky, Michigan, New Jersey, and Utah are the worst and rate an F. Meanwhile, Alabama, Arkansas, Indiana, Maryland, Missouri, Pennsylvania, Wyoming are nearly as bad, rating a low D.

Since 2019, California made several significant improvements in its exemption laws. Idaho, Maryland, Minnesota, Mississippi, New Hampshire, Utah, and Virginia also made improvements. In addition, in eight jurisdictions—Colorado, Connecticut, the District of Columbia, Illinois, Maine, Massachusetts, North Dakota, and Washington—that base their wage garnishment protection on the higher of the state or federal minimum wage, the amount protected from garnishment increased because of increases in the state minimum wage. On the other hand, the dollar amount of key exemptions continued to erode in many states—those that do not have inflation adjustment provisions built into their laws—simply because of inflation and increasing home values.



## Key Recommendations for States

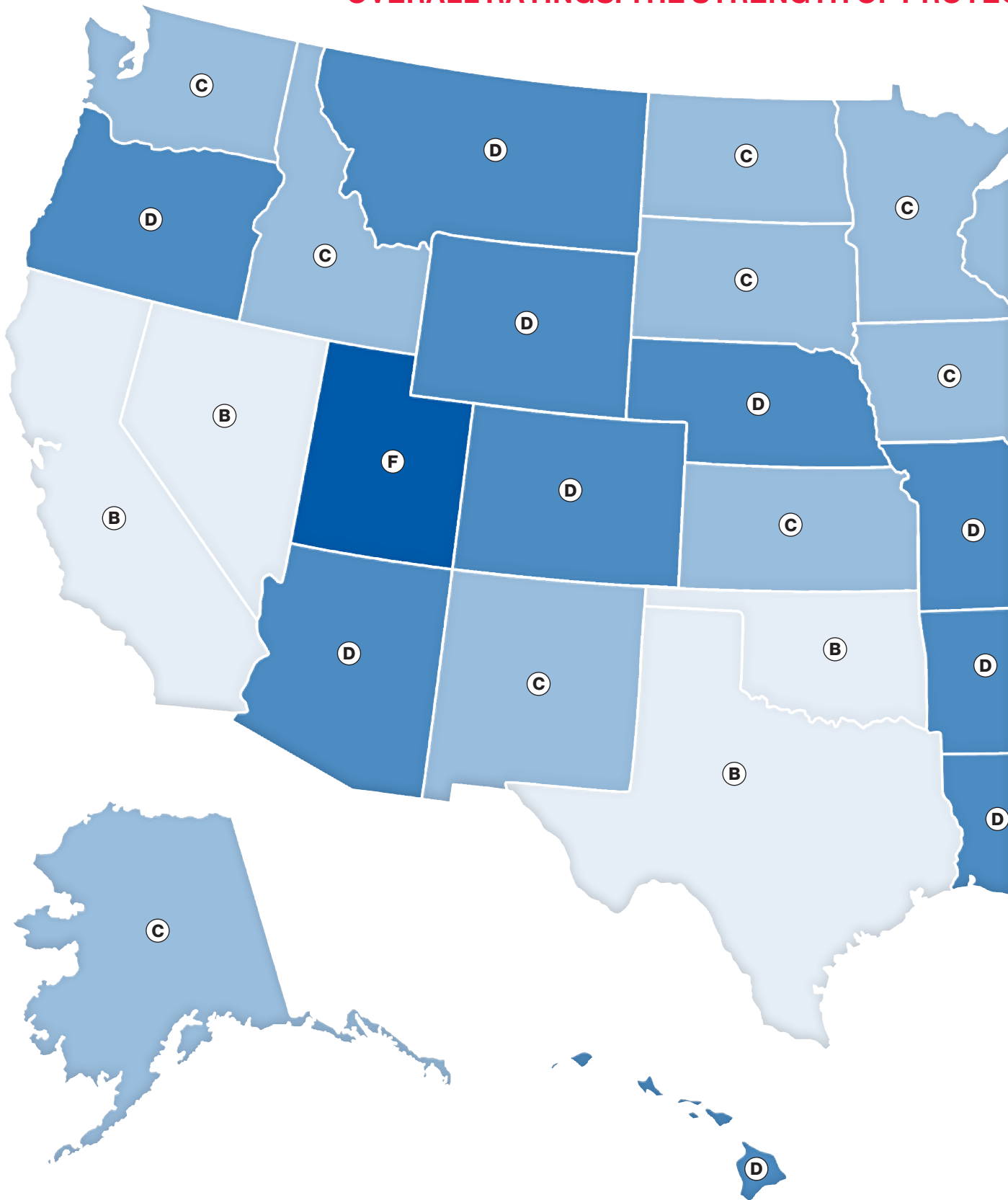
State exemption laws should:

- **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, and means of transportation.**
- **Protect a living wage for working debtors**—a wage that can meet basic needs and maintain a safe, decent standard of living within the community.
- **Protect a reasonable amount of money on deposit** so that debtors can pay commuting costs and upcoming bills such as rent, daycare, and utility bills for several months.
- **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.** For example, states that allow payday lending enable these lenders to evade state laws that protect wages and exempt benefits from creditors. States that allow lenders to take household goods as collateral enable these lenders to avoid state protections of household goods.
- **Be self-enforcing to the extent possible**, so that the debtor does not have to file complicated papers or attend court hearings.

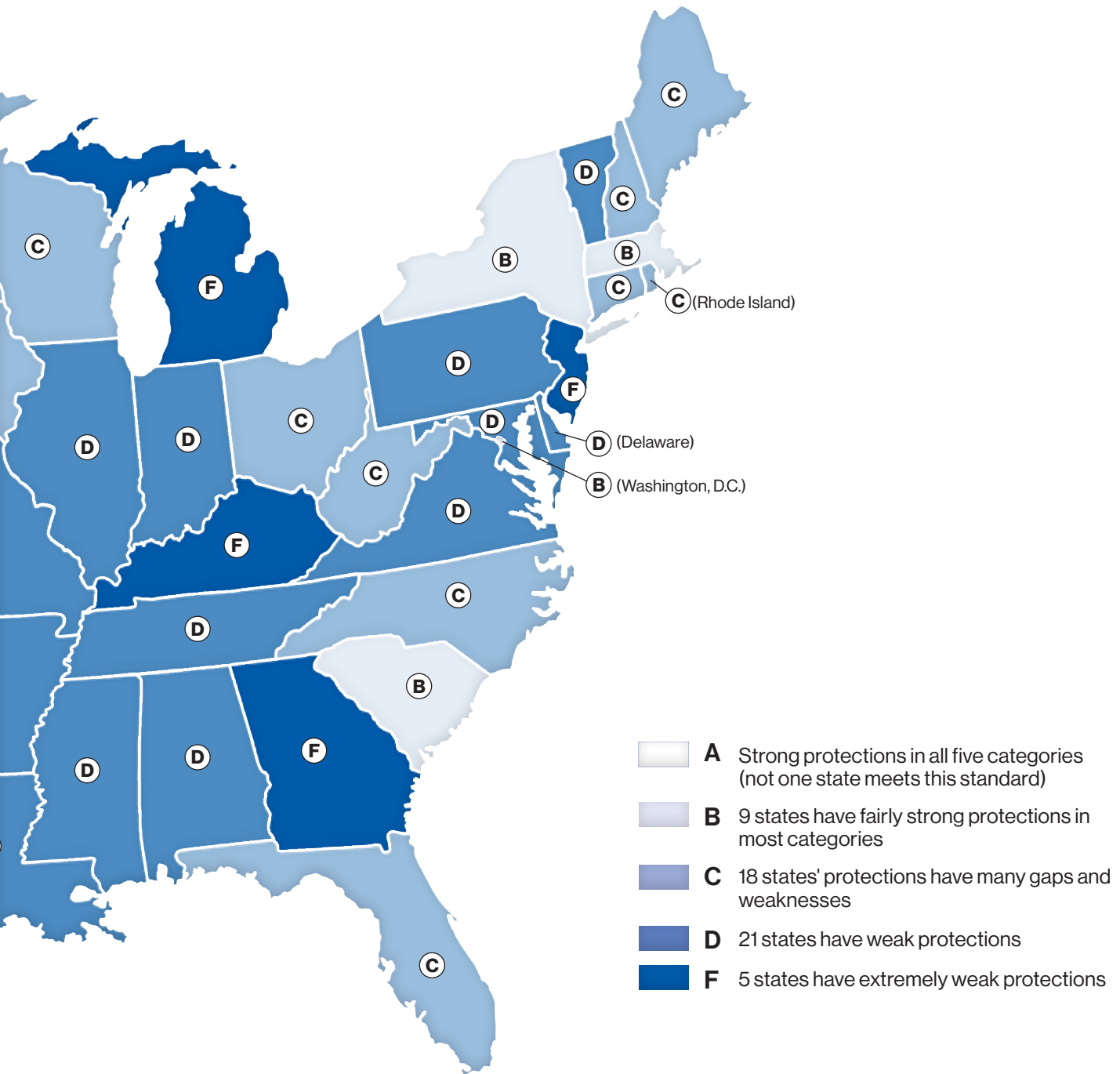
Model language for states to achieve these goals is provided in the National Consumer Law Center's *Model Family Financial Protection Act*. The model law also includes steps that states can take to reduce the pervasive abuse of the court system by debt buyers. Seizure of debtors' wages and property would not be such a problem if debt buyers did not churn out such an endless stream of judgments on old, poorly documented debts – many of them not even owed.

By updating their exemption laws, states can prevent debt buyers from reducing families to poverty. These protections also benefit society at large, by keeping workers in the work force, helping families stay together, and reducing the demand on funds for unemployment compensation and social services.

## OVERALL RATINGS: THE STRENGTH OF PROTECTION



# PROTECTIONS FOR FAMILY FINANCES IN 2020



- A** Strong protections in all five categories (not one state meets this standard)
- B** 9 states have fairly strong protections in most categories
- C** 18 states' protections have many gaps and weaknesses
- D** 21 states have weak protections
- F** 5 states have extremely weak protections

**(B)** (Puerto Rico)  
**(D)** (Virgin Islands)

## INTRODUCTION

State exemption laws, which protect income and property from seizure by creditors, are a fundamental safeguard for families. Exemption laws are designed to protect consumers and their families from poverty, and to preserve their ability to be productive members of society and achieve financial rehabilitation.

The COVID-19 pandemic has exposed the enormous gaps in the states' exemption laws. Only when stimulus checks started going out to families' bank accounts

did many states realize that they had *no* protection for a basic amount in a bank account. As workers lost jobs and hours, states scrambled to institute moratoriums on wage garnishment, bank account garnishment, and collection lawsuits.

Never has the need for strong exemption laws been so starkly apparent. In many states, creditors continued to sue debtors—even front-line health care workers—and garnish their wages as the pandemic raged.<sup>1</sup> Once the pandemic recedes, families struggling to get back on their feet are likely to face a wave of lawsuits for medical bills, back rent, credit card debt, the balance due on repossessed cars, and even utility bills. In fact, the lawsuits are already increasing.<sup>2</sup>

Without improved exemption laws, garnishment and attachment will drain

away the wages and resources that families need—and that the local economy needs them to be spending at Main Street businesses. Reform of exemption laws will not only protect families from destitution but will act as an economic recovery tool that will steer money into state and local communities.

Exemption laws are particularly important because they protect cars, work tools, and other property that consumers need to stay in the workforce. When individuals lose their jobs, the consequences fall not just on them and their families, but also on landlords, local merchants, and other creditors that the consumer might have paid. By protecting families from impoverishment, exemption laws also save costs that taxpayers would otherwise have to bear for services such as emergency shelter and foster care.

### Glossary

As used in this report, these terms have the following meanings:

**Exemption law:** A law that protects a debtor's property from seizure to pay a debt owed to a judgment creditor.

**Garnishment:** An order requiring a party who is holding an asset belonging to a debtor to turn the asset over to a judgment creditor. A *wage garnishment* orders the debtor's employer to pay a portion of the debtor's wages to a judgment creditor. A *bank account garnishment* orders a bank to turn the money in the debtor's bank account over to a judgment creditor.

**Judgment or money judgment:** A decision from a court in a civil case that a debtor owes a specific sum of money to a creditor. The debtor is then termed a *judgment debtor*, and the creditor is a *judgment creditor*.

## West Virginia Nurse Finds Bank Account Frozen in Midst of Pandemic

It was just a normal day for Preston County resident Cheri Long—or as normal as a day gets during a global pandemic.

Long, who works as a nurse at an assisted living facility, was at the store purchasing groceries for her and her family when her debit card was declined. She knew she had money in her account, so she began to look into what was causing her payment to be rejected. That's when she discovered there was a lock on her bank account by WVU Hospitals due to unpaid medical debt.

This left Long and her husband Seth—who were otherwise in a situation to attempt to tackle the pandemic safely without incurring new debts—falling behind on their house payments and utilities, and struggling to provide themselves

and their children with essential supplies to survive. At points, she had to bring home food from her workplace and ask for gas money from her co-workers.

“I can't begin to explain the hurt and embarrassment I felt by the way I was treated when I called, begging in desperation to help me or lead me in the right direction so I could provide for my children while working as a nurse on the front lines,” said Cheri Long. “I couldn't even afford to purchase fabric to make myself a mask due to the shortage of personal protective equipment.”

*Source:* Excerpted from Joe Smith, *Times West Virginian*, “[Hospitals in West Virginia are seizing bank accounts, garnishing wages, over unpaid debt during ongoing COVID-19 pandemic](#)” (April 20, 2020).

Exemption laws also deter predatory lending. Creditors are less likely to make unaffordable loans if they know they will have to rely on the consumer's ability to repay the debt, not on seizure of the consumer's essential property.

Despite the importance of state exemption laws, states vary widely in the income and property they protect from seizure by creditors. In the majority of states, there are enormous gaps in these protections, allowing creditors to push consumers and their families into financial hopelessness. The gaps in exemption laws also give debt collectors enormous leverage. By threatening to take a debtor's essential personal property, such as the family car or household goods, a debt collector may persuade a debtor to use the rent money to pay an old credit card bill that ought to be a much lower priority.

Exemption laws are primarily an area of state authority. Federal law requires states to protect at least a certain amount of a debtor's wages from creditors: 75% of wages or 30 times the federal minimum wage (currently \$7.25 an hour) per week. In addition, federal bankruptcy law provides its own set of exemptions for debtors who file bankruptcy. However, states are allowed to opt out and replace the federal exemptions with their own, and many have done so. Moreover, since only a small percentage

of consumers in financial distress file for bankruptcy,<sup>3</sup> most distressed consumers depend on state exemptions for their protection. Accordingly, while this report includes some federal recommendations, it focuses on the laws that apply to debtors who do not file bankruptcy.

This report surveys the exemption laws of the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands, focusing on the extent to which the state protects the debtor's wages, a median-priced home, the family car, a basic amount in a bank account, and necessary household goods. It points out exemption laws in particular jurisdictions that cry out for improvement. The National Consumer Law Center's (NCLC) [Model Family Financial Protection Act](#)<sup>4</sup> provides suggested language for states to improve their exemption laws. A full analysis of state exemption laws and their interpretation can be found in National Consumer Law Center's [Collection Actions](#) (5th ed. 2020). An appendix to that book, containing detailed summaries of each state's exemption laws, is available for free through the end of 2020 on NCLC's website.<sup>5</sup>

### *Toxic Mix: How COVID-19 and the Wealth Gap Create a Bigger Debt Burden for Black and Latinx Families*

The extent to which states protect consumers' income and assets from seizure by creditors is particularly important for communities of color, which are disproportionately burdened by debt,<sup>6</sup> disproportionately subject to judgments in collection lawsuits,<sup>7</sup> and disproportionately subject to wage garnishment.<sup>8</sup> Because Black and Latinx households have been systemically excluded from accumulating wealth, they have less of a safety net to draw on during challenging financial times.<sup>9</sup> A typical white family has \$8,000 saved for emergencies, compared to just \$1,500 for Black families and \$2,000 for Latinx families.<sup>10</sup> Black and Latinx workers also typically earn lower wages<sup>11</sup> to begin with.

Weak exemption laws build on, and widen, this racial wealth gap, a phenomenon that will only be further exacerbated by the COVID-19 pandemic. Communities of color have disproportionately borne the brunt of the fallout from the COVID-19 pandemic. They are more likely to be [essential workers](#)<sup>12</sup> staffing grocery stores, delivering food and packages, and supporting our doctors, meaning they more likely to [get sick](#) or [die](#).<sup>13</sup> Yet they are also more likely to lack [paid sick leave](#)<sup>14</sup> or [health insurance](#)<sup>15</sup>—exposing them to pay gaps and medical debt.

African Americans are also more likely to have [lost their jobs](#)<sup>16</sup> or [face reduced hours](#) due to the pandemic.<sup>17</sup> The unemployment rate for Black Americans peaked at 16.8% in May 2020 and remains disproportionately high at 12.1% in September—53% higher than for whites.<sup>18</sup> Latinx persons had a unemployment rate only a little lower—10.3% in September.<sup>19</sup> According to a Pew Research Center poll, approximately half of Latinx respondents reported that someone in their household lost a job or took a pay cut—or both—because of the COVID-19 outbreak, compared with 33% of all U.S.

adults.<sup>20</sup> Workers of color pushed out of the labor market find it more difficult to regain decent paying jobs.<sup>21</sup>

Black and Latinx families are much more likely than white families to have fallen behind on their rent or mortgage.<sup>22</sup> As state and federal COVID-19 moratoriums on evictions and foreclosures expire, these families will be at risk of displacement. Many states' utility shut-off moratoriums for residential households are also ending, and African American and Latinx households are far more likely to experience a loss of heating or cooling due to inability to pay bills.<sup>23</sup>

### *How State Exemption Laws Work*

Exemption laws come into play when a creditor goes to court and obtains a judgment against a consumer. A judgment is a decision from the court that the consumer owes a specific sum of money. The creditor can then take steps to seize the consumer's wages or property to pay the debt. Typically, the creditor asks the court or an official, such as a sheriff, to seize property, order the consumer's employer to withhold a portion of the consumer's wages, or order a bank to pay the consumer's funds to the creditor. The creditor can also place a "judgment lien" on the consumer's real estate and then foreclose on that lien, forcing sale of the home.

The state's exemption laws specify how much of the consumer's wages and property the creditor can seize and how much it cannot seize. In a few states, these exemptions, or some of them, are self-executing: the debtor does not have to act affirmatively to protect the property that is exempt. However, in many states, the exemptions are not self-executing. The property will not be protected unless the debtor takes various procedural steps—typically, filing papers in court or attending hearings—to claim the exemptions. These steps are often daunting for consumers, who are typically left to navigate the judicial system on their own without attorneys.

**States can reduce the erosion of these critical protections by building in automatic inflation adjustments.**

Many states provide earmarked exemptions for particular types of property. For example, Arizona exempts a home worth up to \$150,000, a car worth \$6,000, \$300 in a bank account, and \$6,000 in household goods. Other states provide a wildcard exemption—one that the debtor can use to protect a variety of types of property. For example, Mississippi protects a home worth \$75,000, but then provides a \$10,000 wildcard exemption to cover the debtor's car, bank account, household goods, and all other property. Since different debtors will choose to apply a wildcard exemption in different ways, it is hard to compare the level of protection that a state provides for a particular type of property. In this report we have therefore assumed that a debtor will apply most of the wildcard first to protect a family car, then to protect a basic amount in a bank account, and then, if any of the wildcard is left, to protect household

goods. This approach standardizes the treatment of the wildcard and avoids double-counting it.

Because of inflation and changes in society, exemption laws can become irrelevant simply due to the passage of time. States can reduce the erosion of these critical protections by building in automatic inflation adjustments. Alaska is one example: the dollar amounts in its exemption law are adjusted by statute every second year to reflect changes in the Consumer Price Index. Laws in Alabama, California, Indiana, Minnesota, Nebraska, New York, Ohio, South Carolina, and Utah also provide for automatic inflation adjustments. It is surprising that more states have not adopted this simple, yet fair and effective approach.<sup>24</sup>

The specific criteria for our ratings of the states are set forth in the sections discussing each category: wages, a median-priced home, the family car, a basic amount in a bank account, and necessary household goods. Each section includes a state-by-state map, with details in Appendices A through E. [Appendix F](#) summarizes our methodology. The final appendix in this report, [Appendix G](#), consists of state-by-state summaries of the exemptions addressed by this report.

### *How the States Rate*

**Not one state exemption law meets all five of the criteria that would keep a debtor's family from destitution and allow the debtor to continue working as a productive member of society. The worst? Georgia, Kentucky, Michigan, New Jersey, and Utah.**

To achieve the purposes of state exemption laws—to preserve the ability of debtors to continue working and being productive members of society as well as to protect them and their families from destitution—a state exemption law should:

- Prevent debt collectors from seizing so much of the debtor's wages that the debtor is pushed below a living wage—a wage that can meet basic needs and maintain a safe, decent standard of living within the community;
- Allow the debtor to keep a used car of at least average value;
- Preserve the family's home—at least a median-value home;
- Preserve a basic amount in a bank account so that the debtor's funds to pay such essential costs as upcoming rent, utilities, and commuting expenses are not cleaned out; and
- Prevent seizure and sale of the debtor's necessary household goods.

Details about these standards and our methodology can be found in [Appendix F](#).

**Not one state meets all five of these criteria.** Massachusetts (which modernized its archaic exemption laws in 2011) and Nevada come closest, and each rate a high “B” grade. California, the District of Columbia, Puerto Rico, and Texas rate solid “B” grades, and New York, Oklahoma, and South Carolina rate very low B grades. Texas



would rate an A grade except for its failure to provide any protection for the debtor's bank account. California has made the most progress since our 2019 report, moving from a low C to a B and greatly improving its homestead and bank account protections.

At the opposite end of the scale are several states whose exemption laws reflect indifference to struggling debtors. These states allow debt collectors to seize nearly everything a debtor owns, even the minimal items necessary for the debtor to continue working and providing for a family. Georgia, Kentucky, Michigan, New Jersey, and Utah are the worst and rate an F.

## PROTECTION FOR WAGES: CAN A CREDITOR REDUCE A DEBTOR TO BELOW THE POVERTY LEVEL?

Protection of wages is one of the most important roles of exemption laws. When creditors garnish a consumer's wages, the employer is required to take the money from the consumer's paycheck and send it to the creditor. The consumer never sees that money and cannot use it to pay higher-priority obligations, such as rent, food, and child care. Instead, the money goes to pay old credit card debts, written-off medical bills, or the amount still owed after a car was repossessed and sold. Year after year, the wages of about four million workers are garnished for consumer debts.<sup>25</sup>

Wage garnishment can doom a family's efforts to stay afloat. In most states, an employer is even permitted to fire a worker whose wages are garnished for more than one debt.<sup>26</sup>

Since 1970, federal law has protected 75% of a wage earner's paycheck or 30 times the federal minimum wage, whichever is greater. This means that wage garnishment will not reduce a debtor's paycheck below \$217.50 (thirty times the current minimum wage of \$7.25 an hour). But a weekly paycheck of \$217.50 places even a single individual who has no dependents below the federal poverty level.<sup>27</sup> For a family of four, \$217.50 per week is *less than half* of the federal poverty guideline (\$503.85).<sup>28</sup>

Federal law gives states the option of protecting a larger portion of a debtor's paycheck if they choose.<sup>29</sup> Yet only ten jurisdictions protect even a poverty-level wage for a family of four, and 13 jurisdictions do not go beyond the federal minimum at all.

**States rated A.** Four states ban wage garnishment entirely for typical consumer debts:

- North Carolina
- Pennsylvania
- South Carolina
- Texas

This report gives these four states an A rating for protection of wages.

## Florida Father Hit with Wage Garnishment in Midst of Pandemic

On paper, Randall Ward would seem to be well-insulated from garnishment. He lives in the small town of Marianna, Florida, and state law protects the wages of anyone deemed the “head of household,” which is defined as someone who earns more than half the household’s income and has dependents. Since Ward helps care for his 20-year-old son with Down syndrome and a granddaughter, his pay from his job as a manager at a Waffle House is eligible for protection from garnishment.

But when Encore, after having won a judgment against Ward the previous year, sought to garnish his wages this past February, Ward didn’t understand that he qualified for the “head of household” exemption. So, starting in March, Encore began taking a quarter of Ward’s take-home pay. The size of the debt, a Citibank card that had ballooned to \$5,220 with interest and court costs, meant that Ward, even with what he’s proud to call a “good job,” was in for many lean months.

The only way to make ends meet, he said, was to cancel health insurance for himself, his son, and his wife, “because I could not pay the bills if I didn’t do it.”

Then the virus forced his restaurant to close for several weeks and his pay stopped altogether. The family was without income as he waited for his unemployment claim to go through. When, finally, he could go back to work, the garnishments returned.

Source: Excerpted from Paul Kiel and Jeff Ernsthausen, *ProPublica*, “[Debt Collectors Have Made a Fortune This Year. Now They’re Coming for More](#)” (Oct. 5, 2020).

**States rated B.** Six jurisdictions—Alaska, California, the District of Columbia, Florida, Massachusetts, and Wisconsin—allow wage garnishment but protect enough of a worker’s wages so that it will not push a wage earner’s paycheck below the federal poverty level of \$503.85 per week for a family of four. While the federal poverty level is a very low benchmark, and should not be the goal for states, these states at least keep families from falling that low and are given a B rating.

**States rated C.** Eleven states—Colorado, Connecticut, Illinois, Maine, Minnesota (as of a 2020 statutory amendment), Nevada, New Hampshire, New York, South Dakota, Washington, and West Virginia—prevent wage garnishment from reducing the debtor’s paycheck to less than \$350 a week. Some of these states do so by using a state minimum wage<sup>30</sup> rather than the federal minimum wage in their calculation of the exempt amount. Others specify that the protected amount is to be determined by multiplying the minimum wage by 40 or 50 instead of 30. We give these states a C rating.

**States rated D.** Nineteen jurisdictions—Alabama, Arizona, Delaware, Hawaii, Indiana, Iowa, Maryland (as of an amendment effective earlier this month), Missouri, Nebraska, New Jersey, New Mexico, North Dakota, Oklahoma, Oregon, Rhode Island, Tennessee, Vermont, the Virgin Islands, and Virginia—do not even protect \$350 a week, but still protect more of a worker’s wages than the minimum required by federal

law. Some of these states provide protections that are only slightly better than the federal minimum. For example, they may add a small additional protected amount for

each of the debtor’s dependents. Others protect a higher percentage of the worker’s paycheck than the 75% protected by federal law. Some allow a judge to reduce the garnishment if the debtor proves that it is causing hardship or if the debtor is or was recently receiving public assistance. These additional protections are welcome news for struggling debtors. However, these states *do not* protect a living wage, or even ensure that garnishment will not push a debtor’s wages below the poverty level for a family of four, and are rated D.

**States rated F.** Thirteen jurisdictions—Arkansas, Georgia, Idaho, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Montana, Ohio, Puerto Rico, Utah, and Wyoming—are rated F. They protect no more of a worker’s wages than the federal minimum: \$217.50 a week, less than half the poverty level for a family of four.

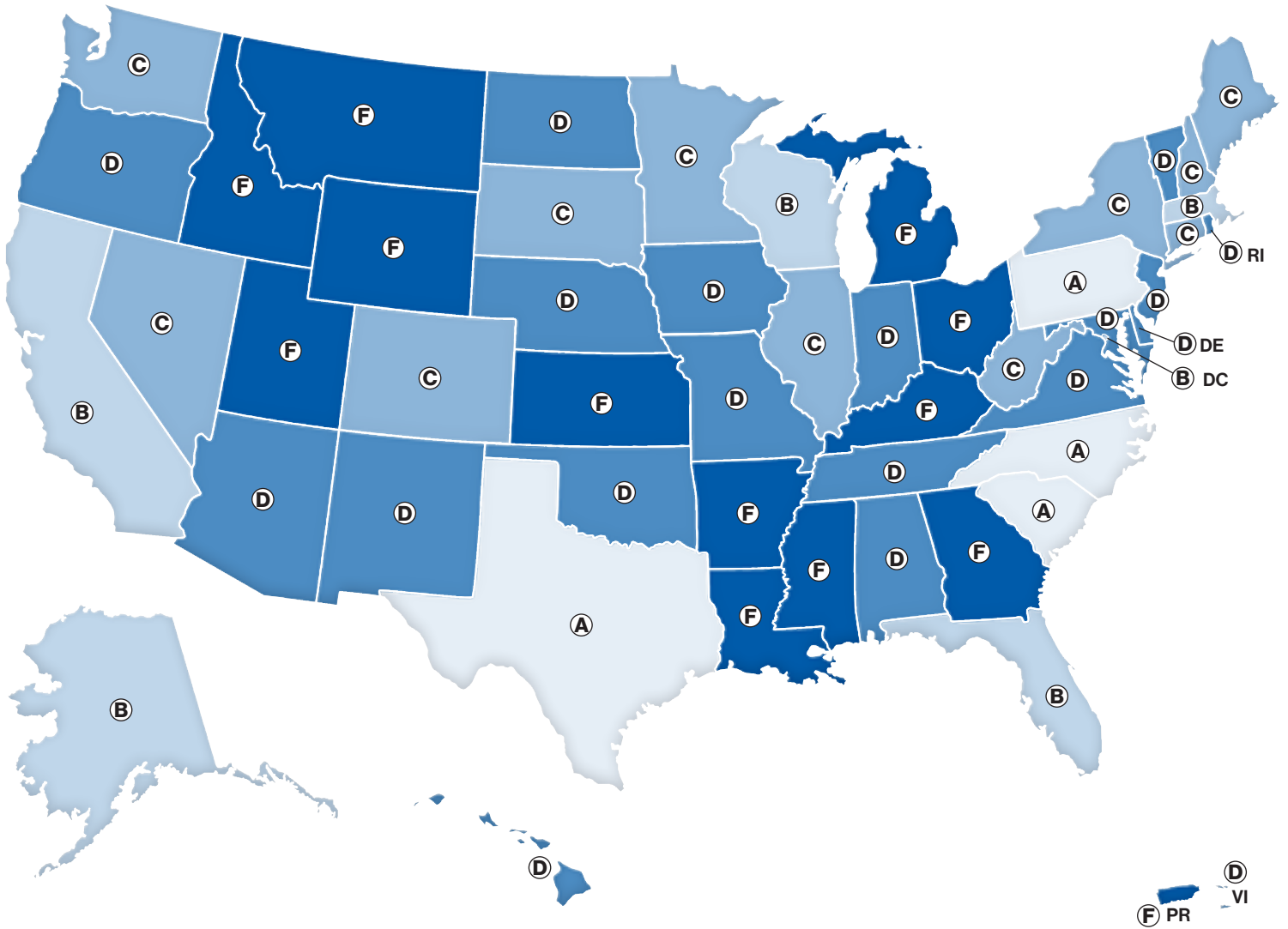
While Minnesota and Maryland are the only states that improved their wage garnishment laws since our 2019 report, nine other jurisdictions—California, Colorado, Connecticut, the District of Columbia, Illinois, Maine, Massachusetts, South Dakota, and Washington—are now preserving more of a debtor’s wages from garnishment

**Table: How Minimum Wage Increases in Nine States Affect Wage Garnishment**

STATE	MULTIPLE PROTECTED	CHANGE IN STATE MINIMUM WAGE	FORMER AMOUNT PROTECTED	2020 AMOUNT PROTECTED	EXTRA AMOUNT PER WEEK PRESERVED FOR FAMILY
California	40 times state minimum wage	Increased from \$12.00 to \$13.00	\$480	\$520	\$40
Colorado	40 times state minimum wage	Increased from \$11.10 to \$12.00	\$444	\$480	\$36
Connecticut	40 times federal or state minimum wage	Increased from \$10.10 to \$11.00	\$404	\$444	\$40
District of Columbia	40 times District’s minimum wage	Increased from \$14.00 to \$15.00	\$560	\$600	\$40
Illinois	45 times federal or state minimum wage	Increased from \$8.25 to \$10.00	\$371.25	\$450	\$78.75
Maine	40 times federal or state minimum wage	Increased from \$11.00 to \$12.00	\$440	\$480	\$40
Massachusetts	50 times federal or state minimum wage	Increased from \$12.00 to \$12.75	\$600	\$637.50	\$37.50
South Dakota	40 times federal or state minimum wage, plus \$25 per dependent	Increased from \$9.10 to \$9.30	\$414	\$422	\$8
Washington	35 times state minimum wage	Increased from \$12.00 to \$13.50	\$420	\$472.50	\$52.50

Source: U.S. Dept. of Labor

## STATE PROTECTION OF WAGES



- A** 4 states ban wage garnishment for most debts
- B** 6 states protect enough wages so that paycheck does not drop below the poverty level (\$503.85 per week)
- C** 11 states protect at least \$350 per week
- D** 19 states preserve more of a worker's wages than the minimum required by federal law (\$217.50 per week)
- F** 13 states protect only the federal minimum (\$217.50 per week)

than they were in 2019. This is because they tie the amount protected to the federal or state minimum wage, and the state minimum wage was increased. For example, Maine protects 40 times the federal or state minimum wage, and in 2020 the state minimum wage increased from \$11 to \$12 an hour. The result is that \$480 instead of just \$440 of a worker's weekly pay is now protected. The \$40 a week difference is enough for a budget-conscious family to pay their electric bill plus reduced-price school lunches for two children.<sup>31</sup> Tying the protection of wages to the state minimum wage also means that states are taking into account the higher costs that led them to set a higher state minimum wage in the first place.

NCLC's [Model Family Financial Protection Act](#) protects 80 times the federal or state minimum wage.<sup>32</sup> If the debtor nets more than that amount but no more than \$1,200 a week (the approximate equivalent of \$70,000 a year in gross wages), 10% of the excess amount can be garnished. If the debtor earns more than that, 15% can be garnished. The model law thus allows creditors to make use of wage garnishment, but it protects a debtor from a disastrous reduction in the income necessary to meet daily expenses. The model law would also guarantee that garnishment would never push a debtor's weekly paycheck below \$580 (eighty times the federal minimum wage of \$7.25 an hour)—hardly a lavish income but at least above the poverty level.

A growing issue is whether wages retain their exemption after deposit in a bank account. A state's failure to protect wages after deposit in a bank account enables creditors to evade the protection of the consumer's wages by going directly to the bank account and cleaning it out. This danger is increasing as more and more employers use direct deposit to pay their workers. Whether states protect wages after deposit—or, better yet, provide a general protection for a basic amount in a bank account—is discussed in the section about protection for bank accounts (see page 26).

## PROTECTING THE FAMILY HOME FROM CREDITORS

Protection of the family home from creditors is one of the fundamental purposes of exemption laws. Loss of the home means loss of support networks. It can also mean loss of a job if the family cannot find replacement housing within commuting distance. For a farm family, loss of the home means loss of their source of support. Losing the family home is particularly hard on children, as it often means that they must change schools and leave friends and relatives behind. The mere existence of a judgment lien—the first step toward seizing a home—can be an obstacle to selling or refinancing a home or financing repairs to it.<sup>33</sup>

**States rated A.** Fourteen jurisdictions receive an A rating because they protect at least the median value of a home. Nine of these jurisdictions protect the family home

regardless of value: Arkansas (if the debtor is the head of the household), District of Columbia (if the debtor is the head of the household), Florida, Iowa, Kansas, Oklahoma, Puerto Rico, South Dakota, and Texas. All of these jurisdictions except the District of Columbia and Puerto Rico place limits on the number of acres that the exempt homestead can include.

The remaining five jurisdictions that achieve an A rating—California (as of a significant 2020 increase to the homestead exemption, which will go into effect on January 1, 2021), Massachusetts, Minnesota, Nevada, and Rhode Island<sup>34</sup>—have a dollar cap on the amount of the homestead exemption, but the cap is high enough so that a median-priced home in that state is exempt.

**States rated B.** Montana, Ohio, and the Virgin Islands currently protect between 75% and 100% of the median value of a home in their states, so rate a B. All three states were rated an A in 2019, but the exemption eroded because the median home value in these three states increased while the exemption did not.

**States rated C.** Four states—Arizona, Idaho (as of a 2020 increase to the homestead exemption), Mississippi, and Vermont—have homestead exemptions that are sufficient to protect between 50% and 75% of the current median value of a home in the state, so rate a C. These laws are sufficient only to protect a very modest home, if that. They may also protect a home that is still encumbered with a substantial mortgage.

**States rated D.** Eleven states—Alaska, Connecticut, Maine, Nebraska, New Hampshire, New Mexico, New York, North Dakota, South Carolina, Washington, and Wisconsin—protect between 25% and 50% of the median value of a home in the state. We give these states a D rating. Maine and North Dakota dropped from a C in 2019 to a D in 2020 because their median home values increased while their exemptions did not.

**States rated F.** The remaining 21 jurisdictions—Alabama, Colorado, Delaware, Georgia, Hawaii, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Missouri, New Jersey, North Carolina, Oregon, Pennsylvania, Tennessee, Utah, Virginia, West Virginia, and Wyoming—provide even lower homestead exemptions, protecting less than 25% of the median home value in their state. These states rate an F. Their exemption amounts are so small that they are likely to save only a heavily mortgaged home.

Seven of this final group of states—Delaware, Kentucky, Maryland, Michigan, New Jersey, Pennsylvania, and West Virginia—are a particularly deserving of an F grade because they provide no realistic protection at all for the family home. Pennsylvania, for example, provides a wildcard exemption of just \$300. The debtor can apply this exemption to a car, household goods, a home, or other property. Delaware allows the head of a household to apply a \$500 wildcard exemption to the family home. Only if

the debtor files bankruptcy is a realistic homestead exemption (\$125,000) available, but even that is less than half the median home value in the state. New Jersey provides no exemption at all that can be applied to a home. Maryland provides a \$6,000 homestead exemption; Kentucky and West Virginia allow \$5,000; and Michigan's exemption is just \$3,500.

Whether a home is exempt typically depends on whether the debtor's equity in it is less than the exemption amount. As a result, a home with a large mortgage debt may be exempt even if the home's market value would exceed the exemption amount. The reason is that, if the creditor forced the sale of a mortgaged home, the proceeds would go first to pay off the mortgage debt and only the amount left after that would go toward the creditor's debt. As a result, elders who have lived in a home a long time and have paid down their mortgages are particularly likely to face loss of their homes in states that have low homestead exemptions.

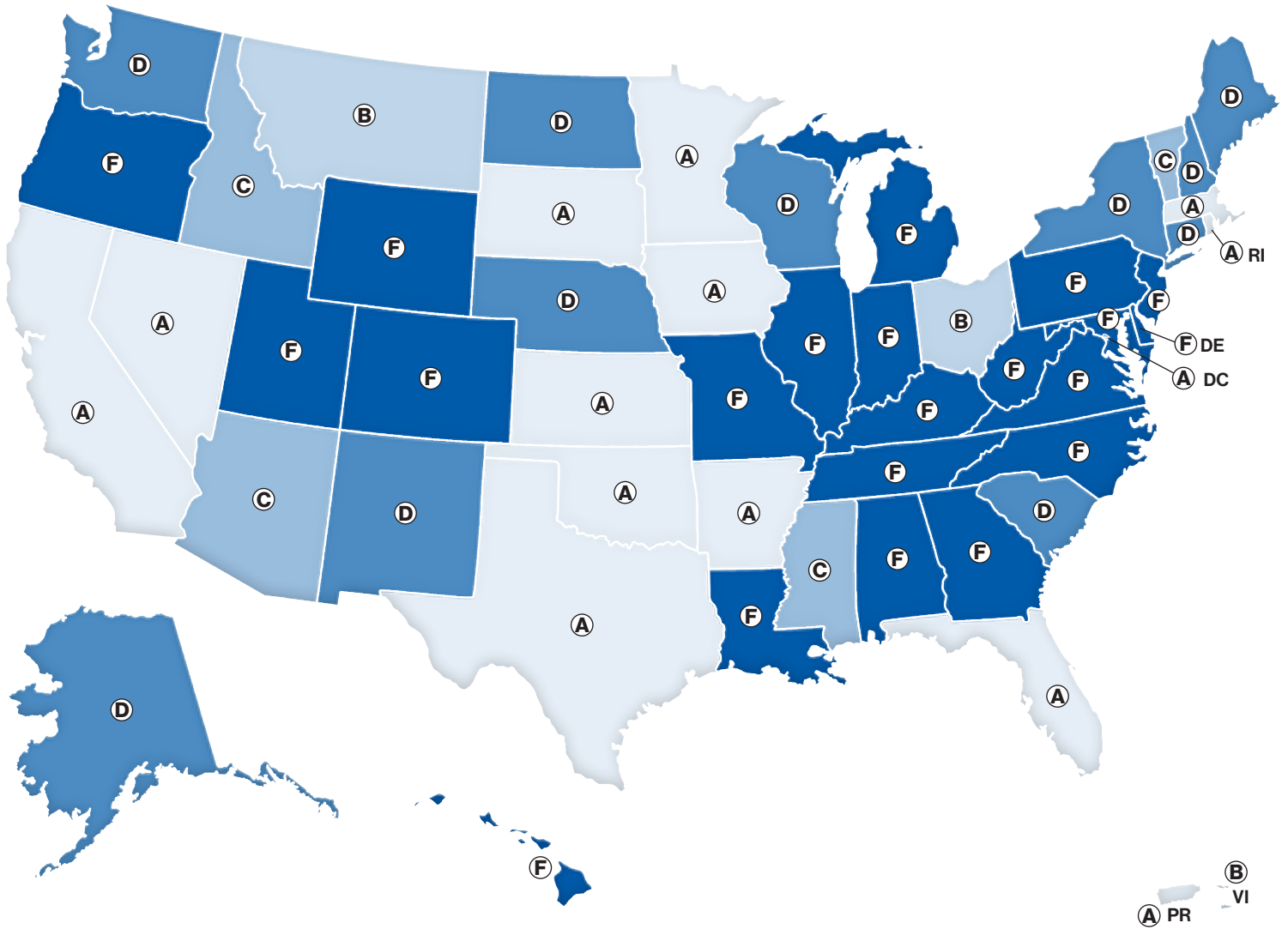
Some states allow a married couple to "stack" the exemptions summarized in this section. For example, Alabama allows each of two spouses to claim the state's \$15,000 homestead exemption. In addition, some states—even some states that provide little or no other protection for the home—recognize a doctrine called "tenancy by the entirety" under which a home owned by a married couple cannot be subjected to a forced sale by a creditor unless both spouses owe the debt. This legal doctrine protects some homes, but it has limited application since often both spouses owe the debt. In addition, it provides no protection at all to widows, widowers, and divorced or single parents who incur debts, even though they may be most in need of protection.

As noted above, some states protect the debtor's home regardless of its value, usually with a limit on acreage, such as a half-acre in an urban area or 160 acres in a rural area. This approach most clearly recognizes the importance of the home. However, this approach has engendered controversy because of occasional attempts by wealthy individuals to shield all their assets from creditors by moving to one of these states and investing all their assets in an exempt home. While these cases are exceedingly rare, they may have made states reluctant to adopt uncapped homestead exemptions, and NCLC's [Model Family Financial Protection Act](#) provides a homestead exemption tied to the median home price in the state.

Exempting the family home does not leave the creditor empty-handed. Typically, homestead exemption laws are structured so that a judgment creditor can place a lien on the family home. Some states preclude execution on this lien (that is, they prevent the judgment creditor from forcing a sale of the home). However, when the family sells the home, the creditor can take any proceeds that exceed the exempt amount. The creditor may even be able take the exempt amount if the debtor does not use it

**Delaware, Kentucky, Maryland, Michigan, New Jersey, Pennsylvania, and West Virginia provide no realistic protection at all for the family home.**

## PROTECTION OF THE FAMILY HOME



- A** 14 states protect the family home regardless of value, or protect a median-priced home in the state
- B** 3 states protect a home worth 75% to 99% of state median price
- C** 4 states protect a home worth 50% to 74% of state median price
- D** 11 states protect a home worth 25% to 49% of state median price
- F** 21 states provide little or no protection for the family home



to buy a new home. Alternatively, if the home is not sold while the judgment debtor is alive, the creditor is paid when the homeowners die.

## THE FAMILY CAR: CAN A DEBTOR CONTINUE TO GET TO WORK?

For many workers, a car is essential to employment. Many wage earners have to work substantial distances from their homes. Public transportation options may be unavailable, so infrequent that it is difficult to use, or unavailable on evenings and weekends when they need to work. Even those whose jobs are near public transportation may be unable to work unless they have a car to take children to and from daycare.

The COVID-19 pandemic has underscored just how important cars are for workers, the economy, and essential community services. A number of cities reduced or even cancelled public transit during the height of the pandemic,<sup>35</sup> and it remains unsafe in many areas. Many frontline workers providing essential services had—and still have—no safe way to get to work without a car. Families have had to use drive-through COVID-19 test sites, drive-in high school graduations, and drive-by grocery pick-up.

Even in normal times, loss of a car can place a family on a downward trajectory that leads to job loss and a cascade of unpaid utility bills, deferred medical care, unpaid rent, and eviction or foreclosure. The effect of allowing creditors to seize the family car has wide ramifications, hurting not just the consumer and the consumer's family but also the consumer's landlord, the local utility provider, and other creditors that the consumer would like to pay.

**Loss of a car can place a family on a downward trajectory that leads to job loss and a cascade of unpaid utility bills, deferred medical care, unpaid rent, and eviction or foreclosure.**

NCLC's [Model Family Financial Protection Act](#) gives a debtor a \$15,000 exemption for a car. This is considerably less than the average retail price for a used vehicle, which is now \$20,618.<sup>36</sup> However, since that average is based on all vehicles, reducing it to \$15,000 is a reasonable way to approximate the average price for a low- or mid-priced vehicle that a struggling debtor is more likely to be driving. We have therefore used \$15,000 as the standard for an A rating.

In states that provide wildcard exemptions, there are complexities in evaluating whether a state meets this standard. A wildcard is an exemption that is not earmarked for a particular category of property. Instead, the debtor has some choices about which property to apply it to. For example, Illinois provides a \$2,400 exemption for a car and a \$4,000 wildcard exemption, but no exemption for a bank account or household goods. A debtor could use the \$4,000 wildcard to increase the protection for the car to \$6,400, or to protect some household goods or a basic amount in a bank account.

To treat these wildcards in a uniform way so that state-to-state comparisons are possible, in this report we assume that any wildcard is used first to increase the exemption for a car to as close to \$15,000 as possible. If there is any remaining amount, it is used to protect a small bank account, and then any remainder after that is used to protect household goods. (However, if the wildcard is at least \$3,000 and there is no other protection for a bank account or household goods, we have set aside \$1,000 of it for those purposes). If the state makes the wildcard available only to a debtor who does not claim a homestead exemption, this report treats it as available. Details and specifics about these protocols are found in [Appendix F](#).

**States rated A.** Only six jurisdictions—Kansas (\$20,000), Nevada (\$15,000), New Hampshire (\$10,000 as of a 2019 statutory amendment plus a wildcard), North Dakota (\$2,950 plus two wildcards), Puerto Rico (if the car is needed for work), and Texas (through use of a wildcard)—preserve a \$15,000 vehicle from seizure by creditors. These jurisdictions receive an A rating. Several other states, such as Louisiana, Massachusetts, Minnesota, and North Dakota, protect a car worth \$15,000 or more, but only if the car is specially modified for use by a disabled person (or, in the case of Massachusetts, if the debtor is elderly).<sup>37</sup>

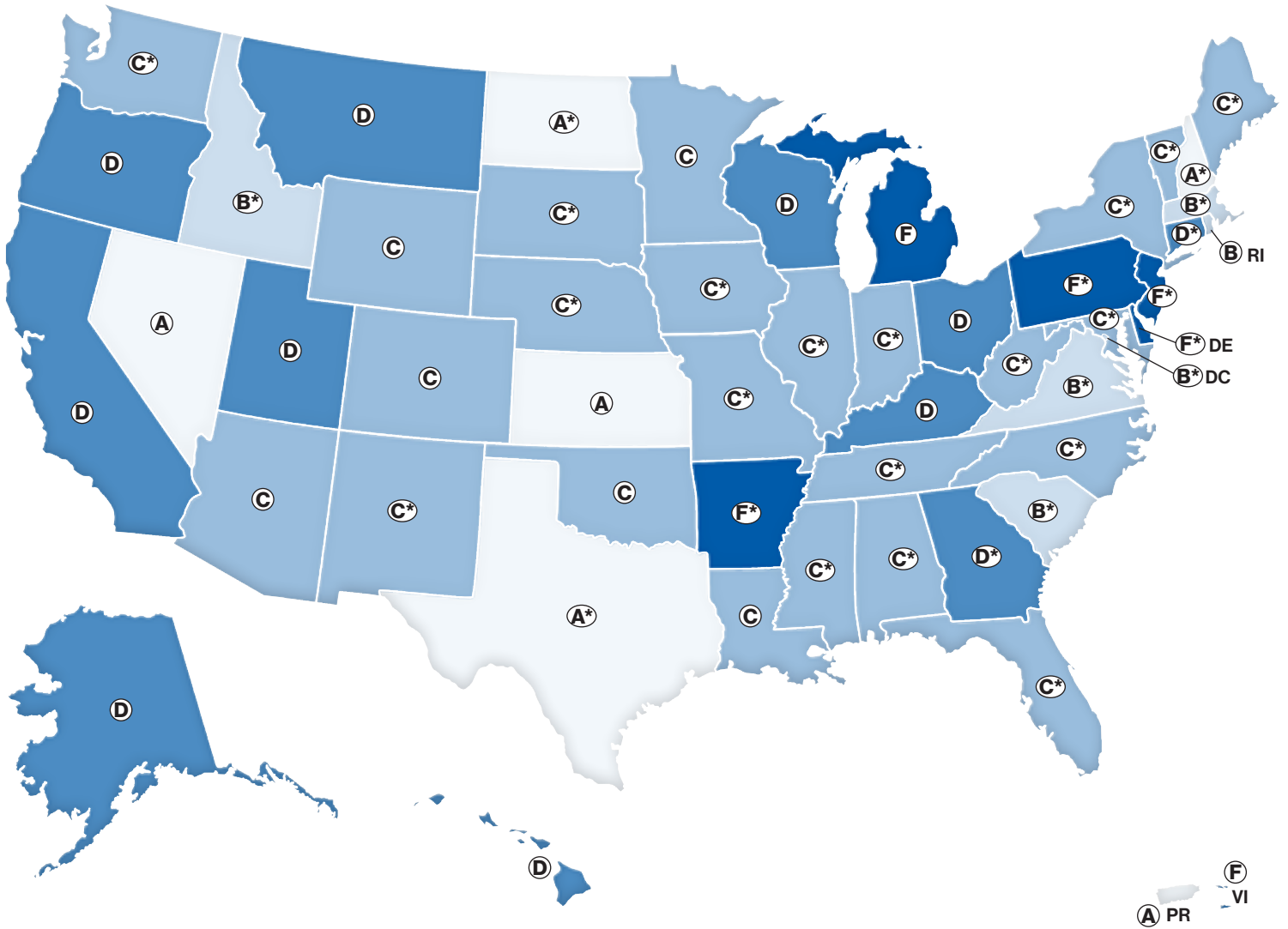
**States rated B.** Six other jurisdictions—the District of Columbia, Idaho, Massachusetts, Rhode Island, South Carolina, and Virginia—allow a debtor to keep a car worth \$10,000 to \$14,999, through an earmarked exemption, a wildcard, or a combination of the two. These states receive a B rating.

**States rated C.** Twenty-four states—Alabama, Arizona, Colorado, Florida, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, New York, North Carolina, Oklahoma, South Dakota, Tennessee, Vermont, Washington, West Virginia, and Wyoming—allow a debtor to keep a car worth between \$5,000 and \$9,999 and are rated C. Debtors in these states may be able to preserve a very low-value used car or a car on which they owe a lot of money.

**States rated D.** Eleven states—Alaska, California, Connecticut, Georgia, Hawaii, Kentucky, Montana, Ohio, Oregon, Utah, and Wisconsin—only protect a car worth \$2,000 to \$4,999 and are rated D.

**States rated F.** Six jurisdictions—Arkansas, Delaware, Michigan, New Jersey, Pennsylvania, and the Virgin Islands—provide no realistic protection for a family's car and are rated F. In four of these states, an exemption of \$1,000 or less is all that is available to protect not just the debtor's car but also any other personal property the debtor owns, including household goods (and in the case of Pennsylvania the debtor's home as well): Arkansas (\$500), Delaware (\$500), New Jersey (\$1,000), and Pennsylvania (\$300). (Delaware protects a car worth up to \$15,000, but only if the debtor files bankruptcy.) Michigan offers an exemption of just \$1,000 and makes it available only

## PROTECTION OF THE FAMILY CAR



\*All or part of the state's wildcard exemption was used to protect the debtor's car. See Appx. G.

- A** 6 states protect a car worth \$15,000 or more
- B** 6 states protect a car worth between \$10,000 and \$14,999
- C** 24 states protect a car worth between \$5,000 and \$9,999
- D** 11 states protect a car worth between \$2,000 and \$4,999
- F** 6 states provide no realistic protection for the debtor's car

if the car is necessary to enable to debtor to work. In the Virgin Islands, there is no exemption that is available to protect a car.

## PROTECTING A BASIC AMOUNT IN A BANK ACCOUNT

Even if a state's exemption laws protect a debtor's wages, home, and car, a debtor needs access to a basic amount of cash to commute to work, buy groceries, and make the upcoming rent or mortgage payment or the next payment on the family car. A debtor who is left without cash may also be unable to pay for transportation, day-care, utility service, medical care, and other necessities, not to mention emergency expenses such as car repairs.

Every state except Delaware gives a creditor the right to seize funds in a bank account in the debtor's name once the creditor has obtained a judgment from a court determining that the debtor owes a debt. Many states allow the creditor to clean out the account completely, protecting at most a few special types of accounts such as college savings accounts or a few types of funds, such as state benefits. Only a few states set a fixed amount that the creditor cannot touch.

Protecting bank accounts is particularly important in light of the growing practice by employers to require employees to receive their wages electronically such as through direct deposit.<sup>38</sup> If a creditor can clean out the debtor's bank account, this can amount to seizure of 100% of the debtor's wages, in effect nullifying the federal and state limits on wage garnishment. Some state wage garnishment laws are interpreted to protect wages even after they are deposited in a bank account, but typically these laws are not self-executing: the debtor must go to court and present evidence tracing the funds on deposit to specific wage deposits. This process can take weeks and will be daunting for many debtors. In the meantime, the account is frozen so the debtor cannot pay the rent, transportation, car payment, or mortgage payment, and any outstanding checks will bounce. The resulting overdraft fees that will be imposed when the next paycheck is deposited are likely to undermine the debtor's ability to pay the next month's bills, creating a rapid downward spiral.

The same result can occur for day laborers and workers in the gig economy. In many states, their earnings are not protected by the wage garnishment laws. If those earnings are deposited into a bank account, the entire amount is vulnerable to seizure by a creditor.

### *The Importance of Self-Executing Protections*

In 2010, a group of federal agencies led by the U.S. Treasury Department addressed the problem of protecting federal benefits, such as Social Security, that are direct-deposited into the beneficiary's bank account. Even though federal law makes Social

Security and other similar federal benefits immune from garnishment for all purposes except child support, creditors were seizing those funds once they were deposited. To reverse the seizure of the benefits, the beneficiary had to navigate the court system and prove the source of the funds. In the meantime, the beneficiary had no access to these essential benefits, and any checks the beneficiary had written—for rent or anything else—were bouncing.

In 2010, the Treasury Department adopted a rule that requires a bank that receives a garnishment order to determine whether the bank account contains electronically deposited exempt federal benefits. If it does, the bank must protect the last two months of those deposits.<sup>39</sup>

The beauty of the Treasury rule's protection is that it is self-executing. The bank protects the funds. No action on the part of the beneficiary is necessary—the beneficiary does not have to file papers in court, attend court hearings, or present evidence about the source of the funds. And because the protection is self-executing, the account is not frozen while the beneficiary tries to navigate the judicial system. While the Treasury rule only protects accounts into which certain federal benefit payments are electronically deposited, it demonstrates the practicality and effectiveness of a self-executing protection for bank accounts.

Three states—Massachusetts, New York, and California—have taken the Treasury rule's approach and applied it to all bank accounts. Massachusetts requires banks doing business in the state to protect the first \$2,500 in the account and New York

### Family's Bank Account Frozen for Six Months During Pandemic

Maria, 42, who is Latina, lives in the Bronx and works as a cleaner. She was shocked to discover that her joint bank account had been “restrained” (frozen) pursuant to a judgment that she knew nothing about. The only money in the bank account at the time of the restraint was her husband's earnings. The bank honored the restraining notice even though the social security number was not Maria's.

Maria's situation became dire when she lost her job because of the pandemic. She was desperate to access her family's meager savings. Because English is not her primary language, Maria had to rely on family members to help her obtain information about her rights under New York law and the underlying case. Eventually Maria discovered that a lawsuit had been brought over a decade earlier against another person with the same name, seeking to collect rent arrears for an apartment Maria had never lived in and knew nothing about.

Because of the COVID-19 crisis and the closure of the New York courts, Maria was unable to obtain assistance from an in-court clinic. She finally ended up obtaining help from attorneys from a legal services office, who advocated with the bank to provide her with her exempt funds and eventually helped her get her account released pursuant to a court order—but only after six months of hardship due to the freeze on the account.

*Source:* Carolyn Coffey, legal services attorney, New York City (name of debtor has been changed)

the first \$3,600. As of September 1, 2020, a new California law requires banks there to protect the first \$1,788 in a bank account, regardless of its source. All three laws are self-executing. These two states serve as a model for the nation in how to make an exemption for a bank account effective in achieving its goal of preventing creditors from seizing the funds that families need to survive.

### *How the States Rate*

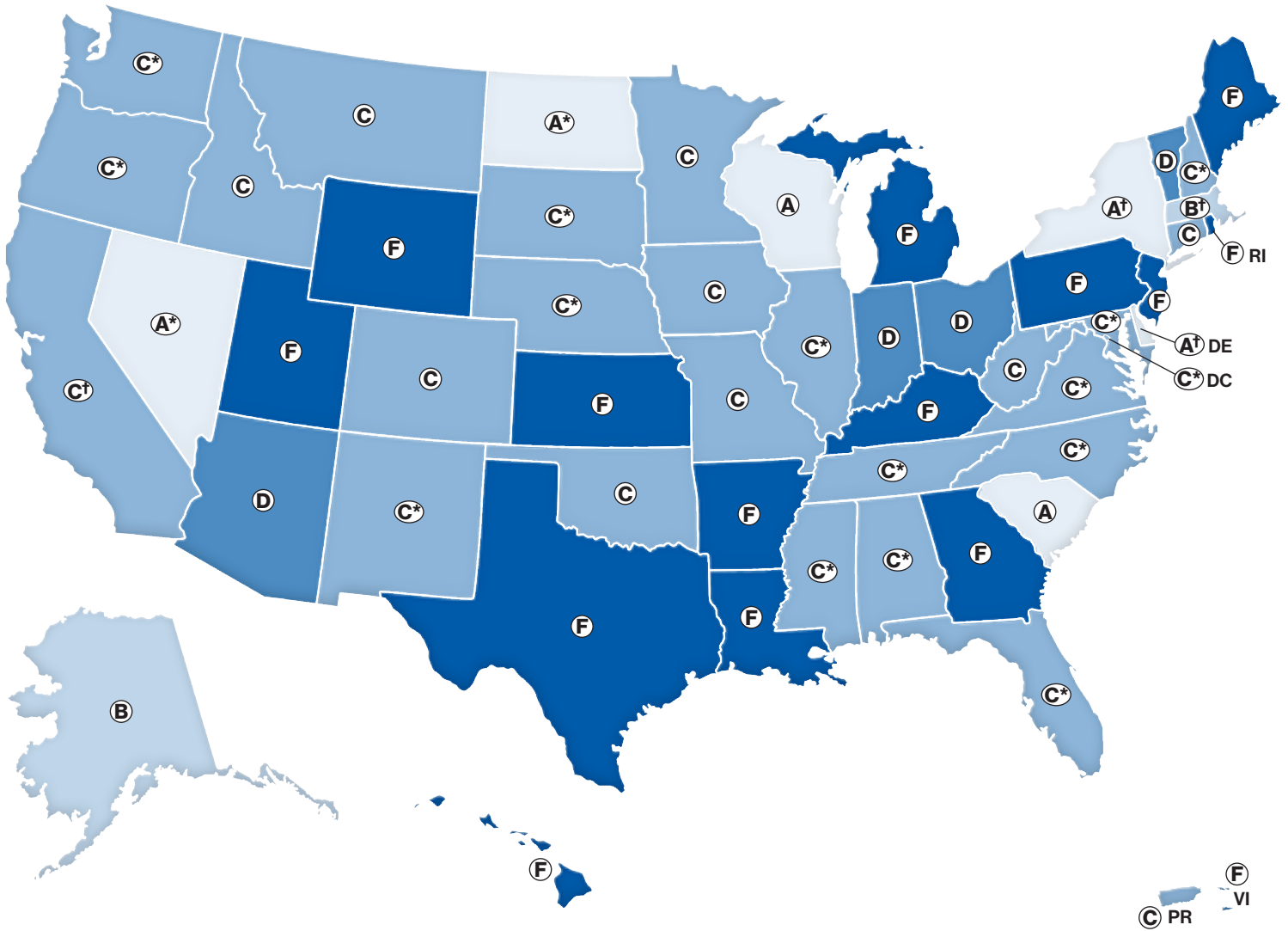
Our analysis of states' protection of bank accounts is from the point of view of a debtor who is supporting a family and renting a home or apartment. When a family's bank account is cleaned out, that often means that the rent money is gone, as well as the money the family set aside for other essential monthly bills, including utilities, day-care, prescription drugs, and transportation.

Some states provide a targeted exemption for a bank account, while others provide a wildcard that can be used to protect a bank account. When a state takes the wildcard approach, we have assumed, for purposes of uniformity, that the debtor will apply the wildcard first to the extent necessary to protect a car, and then, if possible, will protect a basic amount in a bank account. However, some states provide wildcards that can only be used for tangible personal property, not for a bank account, and some states provide no means at all to exempt a basic amount in a bank account. [Appendix D](#) describes how we applied wildcards to bank accounts, and [Appendix G](#) provides state-by-state explanations of how we applied wildcards and other exemptions.

**States rated A.** Nevada, New York,<sup>40</sup> North Dakota, South Carolina, and Wisconsin protect \$3,000 to \$10,000 in a bank account through an earmarked exemption or a wildcard, and Delaware bans all bank garnishments. We give these six states an A rating, as they stand out from other states, even though \$3,000 is likely not enough to protect many families. As the estimated median monthly rent for a two-bedroom apartment in 2020 in the United States is about \$1,100,<sup>41</sup> preserving \$3,000 in a bank account could enable a family to pay rent, plus at least some other essential expenses, for one month. However, this is a very low standard, as the median rent in a metropolitan area can greatly exceed \$1,100 per month, and it is based on the monthly rental for a two-bedroom unit, which will be too small for many families. \$3,000 is less than half of the average monthly expenses for a family of four.<sup>42</sup> It is well below the monthly income HUD uses to define a “low income family,” and less than the income for a “very low income family.”<sup>43</sup> Bankrate.com recommends an emergency fund of 3 to 6 times a family's monthly costs.<sup>44</sup> For these reasons, NCLC's [Model Family Financial Protection Act](#) recommends an exemption for \$10,000 in a bank account.

**States rated B.** Two states—Alaska (\$2,970) and Massachusetts (\$2,500)—enable a debtor to preserve between \$2,000 and \$2,999 in a bank account and receive a B rating.

## PROTECTION OF FAMILY BANK ACCOUNTS



\*The state's wildcard exemption, after deducting the amount needed to protect a car, was used to protect the debtor's bank account. A larger amount could be protected in some states if the consumer does not need to protect the car. See Appxs. G, H.

†This protection is especially strong because it is self-executing.

- A** 6 states protect \$3,000 to \$10,000 or the entire account
- B** 2 states protect between \$2,000 and \$2,999 in a bank account
- C** 26 states protect between \$1,000 and \$1,999 in a bank account, or treat deposited wages as exempt.
- D** 4 states protect between \$300 and \$999 in a bank account
- F** 15 states protect less than \$300 in a bank account

**States rated C.** Seventeen jurisdictions—Alabama, California, Connecticut,<sup>45</sup> the District of Columbia, Florida, Illinois, Maryland, Mississippi, Nebraska, New Hampshire, New Mexico, North Carolina, South Dakota, Tennessee, Virginia, Washington, and West Virginia—protect between \$1,000 and \$1,999 in a bank account, in most cases because of our assumption that a debtor would use some part of an available wildcard for this purpose. Nine other jurisdictions—Colorado, Idaho, Iowa, Minnesota, Missouri, Montana, Oklahoma, Oregon, and Puerto Rico—explicitly provide that wages remain exempt after deposit in a bank account. This is an important protection for wage earners' bank accounts, but it can be very difficult for workers to claim and prove, and it will not protect funds from other sources, such as an emergency loan from a family member. All of these 25 states receive a C rating.

**States rated D.** Four states—Arizona, Indiana, Ohio, and Vermont—protect between \$300 and \$999 in a bank account, and are rated D.

**States rated F.** The remaining 15 jurisdictions—Arkansas, Georgia, Hawaii, Kansas, Kentucky, Louisiana, Maine, Michigan, New Jersey, Pennsylvania, Rhode Island, Texas, Utah, the Virgin Islands, and Wyoming—rate an F. These states provide no means for a debtor to exempt any amount in a bank account or protect only a few specialized types of accounts such as college tuition accounts.

Protections like those in California and New York are especially meritorious because they set a fixed amount and make the protection self-executing. If the debtor's bank receives a garnishment order and the amount in the account is below the protected amount, the bank simply reports back that there is nothing that can be garnished. Moreover, the debtor need not file papers in court or attend hearings to prove that the amount is protected. The

debtor's outstanding checks will not bounce because of a garnishment, simplifying life for the debtor, the bank, and the payees of the debtor's checks. The bank need not do any complicated accounting or assist the debtor in tracing the source of the funds on deposit. The legal system also saves the time and money needed to process exemption filings and hold hearings. While our rating system gives California just a C because the amount protected is less than \$2,000, the self-executing nature of its protection means that, in practice, it may turn out to be more beneficial to families than the exemptions in states that protect a higher dollar amount.

### *Treatment of Retirement Funds*

A critically important question, related to seizure of bank accounts, is whether a creditor can seize a debtor's retirement funds. Retirees typically have fewer options than younger adults. Too old or frail to rejoin the workforce, their retirement funds must cover not just housing costs, food, transportation, and utilities but also growing

**While California rates just a C because the amount protected is less than \$2,000, the self-executing nature of its protection means that, in practice, it may turn out to be more beneficial to families than the exemptions in states that protect a higher dollar amount.**



expenses for home care, medications, and adaptive equipment. The money in a retirement fund may seem like an attractive target for a creditor, but the fund must last the rest of the retiree's life.

The great majority of jurisdictions protect retirement funds to some extent. However, some states protect just certain pensions or certain types of retirement vehicles. Some place a dollar cap on the amount protected. Others limit the protection to an amount necessary for support, which invites creditors to try to persuade a court to reduce an elderly debtor to penury.

Because of the great variety in the ways states treat retirement funds, this report does not attempt to rate the states on this factor. NCLC's [Model Family Financial Protection Act](#) treats all pensions and retirement funds equally. Given current life expectancies and the magnitude of potential medical and home care expenses, the model law protects \$1,500,000 of retirement funds for the debtor, and \$1,500,000 for each of the debtor's dependents except to the extent they have other means of support.

## STOPPING CREDITORS FROM THREATENING SEIZURE OF A DEBTOR'S HOUSEHOLD GOODS

Household goods usually have little resale value. Seizing them and selling them does little to pay off a debt. The costs of seizure and sale can even exceed the proceeds of the sale.

Yet, while the consumer's household goods are of little use to the creditor, they are of enormous value to the consumer. Without beds, tables, chairs, a stove, a refrigerator, and other furniture and appliances, debtors cannot maintain a household for themselves and their dependents.

The mere threat to take a consumer's household goods, even when the creditor rarely or never follows through, places tremendous pressure on families. The threat can induce consumers to pay old written-off credit card and other low-priority debts rather than high-priority obligations, such as rent and utility bills.

**States rated A.** The strongest approach is to protect all of a consumer's necessary household goods and appliances. Seven jurisdictions—California, Connecticut, Hawaii, Kansas, New Mexico, Oklahoma, and Puerto Rico—follow this approach. Maine achieves a similar result by protecting all household goods and appliances as long as the value of any individual item does not exceed \$200. Maine also provides a wildcard exemption that ranges, depending on the circumstances, from \$400 to \$6,000 that can be used to protect more expensive items such as appliances. New York and Louisiana also marginally qualify in this category. Neither protects all household goods, but New York protects all household furniture plus a list of other items,

including a stove and refrigerator, and Louisiana protects “all living room, bedroom, and dining room furniture” plus most major appliances. We have given each of these 10 states an A rating.

A second approach that some states take is to allow the consumer to exempt household goods up to a dollar amount. Some states provide an exemption just for household goods, capping the aggregate dollar amount of household goods exempted and sometimes also placing a cap on the value of any individual item. Often a wildcard—an exemption that can be applied to protect items chosen by the debtor, up to a certain aggregate dollar amount—comes into play as well. While in this report we have assumed, for the sake of uniformity, that the debtor would apply any wildcard first to protect a car and a basic amount in a bank account (see [Appendix F](#)), and only apply any remaining amount to protect household goods, debtors would have to make their own individual choices. Some states also provide a separate exemption for certain specified household items, such as beds or certain appliances, so in those states a general exemption for household goods or a wildcard exemption may stretch a little farther.

**States rated B.** Of the jurisdictions that do not exempt all necessary household goods, five—Massachusetts, Nevada, Ohio, Texas, and Wisconsin—allow a debtor to keep at least \$12,000 of household goods, through an earmarked exemption, a wildcard, or a combination of the two. We give these states a B rating.

**States rated C.** Four jurisdictions—the District of Columbia, Minnesota, Rhode Island, and West Virginia—protect at least \$8,000 but less than \$12,000 of household goods, and are rated C.

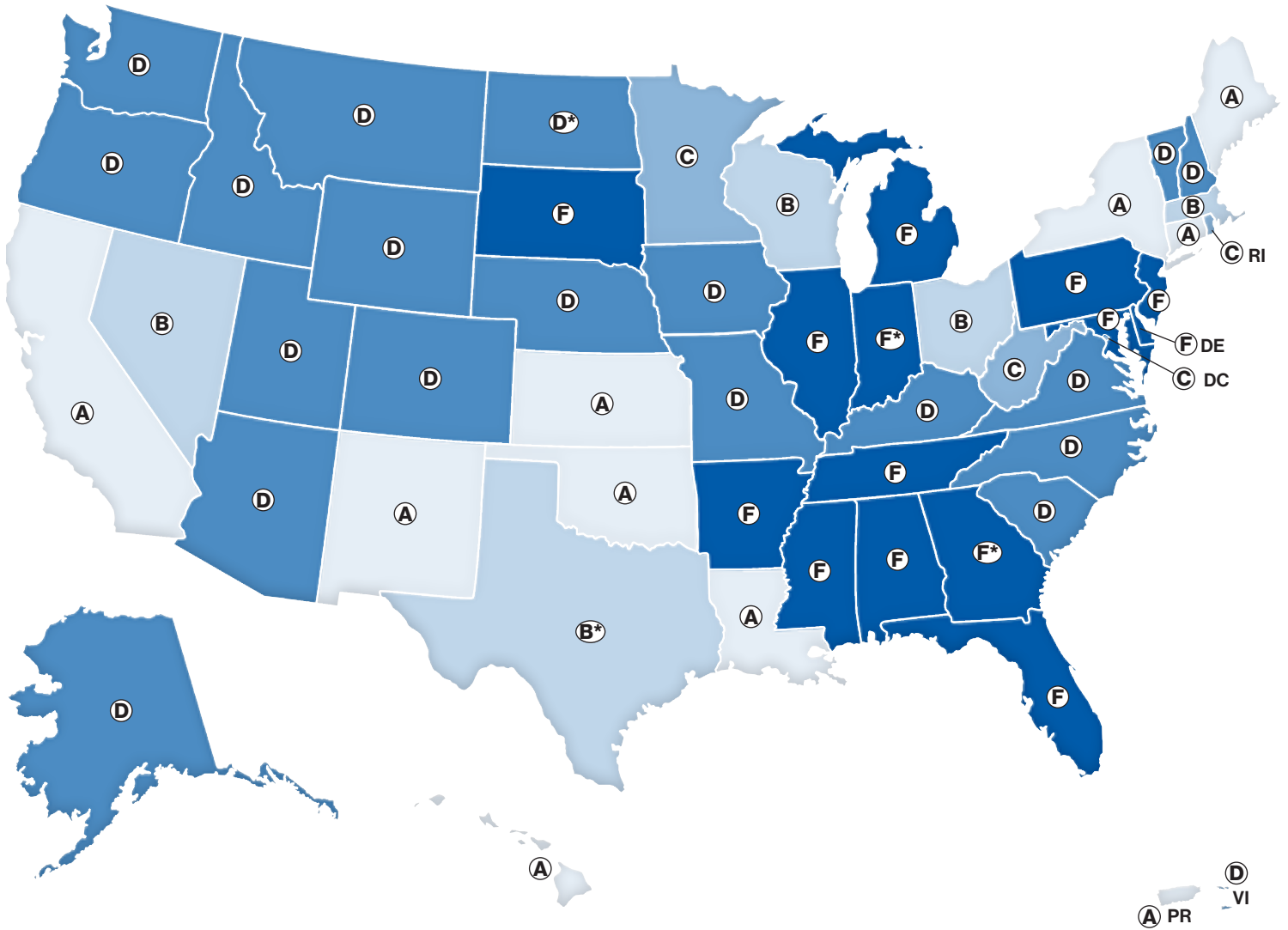
**States rated D.** Twenty jurisdictions—Alaska, Arizona, Colorado, Idaho, Iowa, Kentucky, Missouri, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Oregon, South Carolina, Utah, Vermont, the Virgin Islands, Virginia, Washington, and Wyoming—protect only between \$2,000 and \$7,999 of household goods, and are rated D.

**States rated F.** The remaining 14 jurisdictions—Alabama,

Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, Michigan, Mississippi, New Jersey, Pennsylvania, South Dakota, and Tennessee—protect virtually none of the debtor’s household goods, and are rated F. For example, Arkansas provides a \$200 exemption (\$500 if the debtor is married or the head of a household), which must cover all personal property. Delaware provides just a \$500 exemption for all personal property except work tools, clothing, and bedding. This shocking indifference to debtors and their families means that creditors can clean out a family’s home even though used household goods typically have little or no resale value.

**Alabama, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, Michigan, Mississippi, New Jersey, Pennsylvania, South Dakota, and Tennessee protect virtually none of the debtor’s household goods, and are rated F.**

## PROTECTION OF FAMILY HOUSEHOLD GOODS



\*Through use of a wildcard. See Appx. G.

- A** 10 states protect all necessary household goods
- B** 5 states protect household goods worth \$12,000 or more
- C** 4 states protect household goods worth between \$8,000 and \$11,999
- D** 20 states protect household goods worth between \$2,000 and \$7,999
- F** 14 states protect less than \$2,000 in household goods

Some states allow a married couple to preserve jointly-owned personal property, such as household goods or a car, from creditors if only one of the two spouses owes the debt. This rule, called “tenancy by the entirety,” ameliorates the harshness of low household good exemptions in some states, but only in the case when only one of two spouses owes the debt. It provides no help to widows, widowers, divorced parents, or single individuals who incur debts.

NCLC’s [Model Family Financial Protection Act](#) protects all the debtor’s household goods but allows the creditor to ask a court to allow sale of any item worth more than \$3,000. This approach ensures that a family will not be stripped of essential items needed for daily life, yet at the same time does not protect high-cost luxury items.

States should also take care to prevent creditors from evading state restrictions on seizure of household goods. The primary way that creditors evade these restrictions is by having the borrower put up household goods as collateral for a loan.<sup>46</sup> Then, if the borrower defaults, the creditor has the right to seize the household goods, even if state exemption law protects them. The FTC Credit Practices Rule<sup>47</sup> prohibits lenders from taking certain household goods as collateral (unless the credit is extended to purchase those household goods) but leaves a large number of household goods unprotected.<sup>48</sup> Some states’ lending laws also place some restrictions on this practice, but these restrictions usually apply only to certain lenders and certain loan amounts.<sup>49</sup>

## **SOME STATES MADE PROGRESS SINCE 2019, BUT MUCH REMAINS TO BE DONE**

Our 2019 report documented that no state’s protections for struggling debtors met five basic standards: protecting a poverty-level wage, a median value home, an average-priced used car, a basic amount in a bank account, and essential household goods. This is still true one year later, in 2020: not one state meets these five minimal standards.

Nonetheless, several states did make progress—in some cases, significant progress—since our 2019 report:

**California** made significant strides forward, with three new laws. First, it created an automatic, self-executing protection for a basic amount in a bank account—\$1,788 for 2020, to be adjusted for inflation every year.<sup>50</sup> California already protected wages in a bank account, but the protection was not self-executing, so banks would freeze debtors’ accounts upon receiving a garnishment order, causing any outstanding checks to bounce and a cascade of other negative consequences. While the limited dollar amount of the new protection means that it does not increase California’s grade

under our grading system, it is a profound improvement for financially-challenged families in the state.

California also made a major improvement in its homestead exemption, raising the exempt amount from \$100,000—just 20% of the median value of homes in the state—to \$300,000 or the median sale price of homes in the county, with a cap of \$600,000, effective January 1, 2021.<sup>51</sup> As a result, California now protects, on average, a median-priced home in the state, and rates an A instead of an F in this category.

A third new law in California creates an additional protection for the home, also effective on January 1, 2021. It prohibits foreclosure on a debtor's principal residence for any consumer debt under \$75,000 unless the home was collateral for the debt at the time the debt was incurred.<sup>52</sup>

**Idaho** increased its homestead exemption from \$100,000 to \$175,000. As a result, it now protects 69% of the state's median home value, and rates a C instead of a D. It also increased its earmarked protection for the debtor's car from \$7,000 to \$10,000, bumping that rating from a C to a B. It increased its protection of crops from \$4,000 to \$5,000, its tools of the trade exemption from \$2,500 to \$10,000, and its wildcard from \$800 to \$1,500.<sup>53</sup>

**Maryland** amended its wage garnishment statute so that it now protects 75% of wages or 30 times the state minimum wage.<sup>54</sup> Since Maryland's minimum wage is \$11.00, well above the \$7.25 federal minimum wage, this increases the protection from \$217.50 to \$330 per week for a minimum wage worker. This change moves Maryland's rating for protection of wages from an F to a high D. There is still a lot of room for improvement, but the additional \$112.50 per week will make a big difference for hard-pressed families in the state.

**Minnesota** revised its wage garnishment law so that it now protects 40 times either the state or the federal minimum wage, rather than just 40 times the federal minimum wage.<sup>55</sup> The result is that Minnesota now protects \$400 instead of \$290 a week for a worker. \$400 a week is still well below the poverty level for a family of four, but on our rating scale Minnesota moves from a D to a C. The inflation adjustment provision in Minnesota's exemption statutes also resulted in increases of about 4% in various exemptions, including those for household goods and the debtor's car.

**Mississippi** added Roth IRAs to its list of retirement funds that are exempt.<sup>56</sup> While this report does not rate states on their protection of retirement funds, this change will be significant for many debtors.

**New Hampshire** increased its earmarked protection of the debtor's car from \$4,000 to \$10,000 and rates an A instead of a C for this protection.<sup>57</sup>

Inflation adjustments in **South Carolina** increased the dollar amounts of its exemptions by about 4%.

**Utah** now includes inherited accounts in its protection of retirement funds.<sup>58</sup> While this report does not address treatment of inherited retirement funds, this is an important improvement in protection for debtors.

**Virginia** added a \$25,000 homestead exemption.<sup>59</sup> Prior to this change, the only exemption available to protect the family home was a wildcard exemption of \$5,000, supplemented by \$500 per dependent. Virginia's homestead exemption is still only 11% of the median home value in the state, and still rates an F, but this amendment might at least occasionally allow debtors to protect a heavily-mortgaged low-value home.

In addition, in nine jurisdictions—**California, Colorado, Connecticut, the District of Columbia, Illinois, Maine, Massachusetts, North Dakota,** and **Washington**—that base their wage garnishment protection on the higher of the state or federal minimum wage, the amount protected from garnishment increased because of increases in the state minimum wage. The increases protect from \$8 to \$79 more per week for a family. The increases did not change any ratings on our scale, but brought Colorado, Connecticut, Maine, and Washington close to a B rating for their protection of wages.

On the other hand, the homestead exemptions in five jurisdictions—**Maine, Montana, South Dakota, Ohio,** and the **Virgin Islands**—eroded so much because of increasing home values that we had to reduce their ratings. For example, Maine's \$95,000 homestead exemption was formerly sufficient to protect 50% of the median value of homes in the state, but now that the median value has increased from \$197,500 to \$200,500 it protects only 47%. These developments provide a stark illustration of how the protection afforded to debtors by state exemption laws erodes over time unless the law provides for an inflation adjustment or the legislature updates the laws regularly.

These changes are summarized in the state-by-state charts in [Appendix G](#), and an appendix to NCLC's *Collection Actions* summarizes state exemption laws in more detail and is available free of charge online through the end of the year.<sup>60</sup> All of these changes have been included in our ratings, even if the changes have not yet taken effect.

## RECOMMENDATIONS

### *What States Can Do to Protect Family Finances*

States have good reason to be concerned about protecting their residents from over-aggressive collection of judgments for consumer debts. The growing wealth gap, the high volume of collection lawsuits filed around the country,<sup>61</sup> and the effects of the COVID-19 pandemic strain families to the breaking point and will make them increasingly vulnerable to seizure of essential wages and property.

State exemption laws should:

- **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, and means of transportation.**
- **Protect a living wage for working debtors**—a wage that can meet basic needs and maintain a safe, decent standard of living within the community.
- **Protect a reasonable amount of money on deposit** so that debtors can pay commuting costs and upcoming bills such as rent, daycare, and utility bills.
- **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.** For example, in states that allow payday lending, these high-cost lenders take wages and exempt benefits directly out of consumers' bank accounts, evading state laws that protect this income. States that allow lenders to take household goods as collateral enable these lenders to avoid state protections of household goods.
- **Be self-enforcing to the extent possible**, so that the debtor does not have to file complicated papers or attend court hearings.

Model language for states to achieve these goals is provided in the National Consumer Law Center's [Model Family Financial Protection Act](#). By updating their exemption laws, states can prevent debt buyers from reducing families to poverty. These protections also benefit society at large, by keeping workers in the work force, helping families stay together, reducing the demand on funds for unemployment compensation and social services, and keeping money in local communities where it will aid economic recovery.

### *What Congress Can Do*

This report has focused on state laws, because states are the primary source of protections for debtors. But the federal government has an important role, too.

Since 1968, when the Consumer Credit Protection Act was passed, a federal law has placed a limit on how much a debt collector can take from a worker's wages.<sup>62</sup> This limit is shockingly low—for a full-time minimum wage worker it protects just \$217.50, not even half the poverty level for a family of four. (Fortunately, the federal law allows states to protect more of a worker's wages, and, as detailed earlier in this report, more than two-thirds of the states have done so). Another significant flaw in the federal law is that it provides no protection for wages after they are deposited in the worker's

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bank account, even if they are direct-deposited. Thus, even that \$217.50 could be seized from a bank account.

It is time for Congress to improve this basic protection. Congress should:

- **Increase the federal protection against wage garnishment** in order to protect a living wage.
- **Enact a self-executing bank account garnishment protection** sufficient to protect several months of a family's expenses.

Congress also writes the nation's bankruptcy laws, and controls how the government collects its own debts. Congress should also:

- **Restore the viability of bankruptcy as a fresh start** by simplifying the bankruptcy process, increasing asset and homestead protections, and giving student loan borrowers and those struggling with unaffordable criminal justice fines and fees the same fresh start opportunity as others.
- Instruct the federal government to **stop seizing federal safety net payments**, including the Earned Income Tax Credit, the Child Tax Credit, VA Benefits and Social Security benefits to repay government debts.



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  29. For simplicity, the tables in this section do not distinguish between gross and net wages. In drafting a wage garnishment limit, these distinctions are important, because the exact calculations can make a significant difference.
  30. See [www.dol.gov/whd/minwage/america.htm](http://www.dol.gov/whd/minwage/america.htm) (listing state minimum wage amounts).
  31. The U.S. Energy Information Administration’s [2015 Residential Electricity Consumption Survey](#), the most recent available shows that the average electricity expenditure for a 4-person household is \$1,701/year or \$141.75/month. Reduced-price lunches are 40 cents per lunch: <https://schoolnutrition.org/aboutschoolmeals/schoolmealtrendsstats/>.
  32. See Robert J. Hobbs, April Kuehnhoff, and Chi Chi Wu, National Consumer Law Center, [Model Family Financial Protection Act](#), Appx. A (June 2012, rev. May 2019).
  33. See, e.g., Jay Hancock, *Kaiser Health News*, [UVA Health System uses thousands of property liens to get money from patients](#) (Oct. 16, 2020) (documenting how lien placed on deceased woman’s home for her now-deceased son’s medical treatment prevented her daughter from selling the home to pay for her children’s education).
  34. Rhode Island falls in this category solely because of the dollar amount its statute protects. The statute has an enormous gap in that it does not apply at all when the debt is owed to a bank, another federally-insured deposit-taking institution, or a variety of financial services providers licensed in the state. R.I. Gen. Laws § 9-26-4.1.
  35. Alex Davies & Aarian Marshall, *Wired*, [Public Transit Cuts Hurt ‘Essential’ Workers Who Need It Most](#) (Mara. 30, 2020)
  36. [Edmunds Used Car Report CY 2019](#) at 2.
  37. La. Rev. Stat. Ann. § 13:3881(A)(8); Mass. Gen. Laws Ch. 235, § 34(16); Minn. Stat. § 550.37(12a); N.D. Cent. Code § 28.22.03.1(2).
  38. Employers are required under federal law to give employees a choice of how to receive their wages. In some states, employers can require the employee to choose either direct deposit to their own account or a payroll card. (Some states require a choice of a paper check.) Payroll cards are generally subject to garnishment just like bank accounts, but in practice debt collectors are less likely to garnish them. Some state protections for wages could be interpreted to extend to funds in payroll card accounts.
  39. 31 C.F.R. Part 212.
  40. New York protects 240 times the state minimum wage, which varies depending on the size of the employer and the location within the state, with the result that the amount protected is \$2,664

to \$3,600. See [Appx. G](#).

41. Apartment List publishes rent estimates each month. See <https://www.apartmentlist.com/research/category/data-rent-estimates>. An average of the estimated median rent for a two bedroom apartment between January through September 2020 was calculated to get the national median - \$1109.
42. Bur. of Labor Statistics, Table 3444, Consumer units of four people by income before taxes: Average annual expenditures and characteristics, [Consumer Expenditure Survey, 2018-2019](#) (showing that the average annual expenditures for a household of four come to \$83,353 per year, which is \$6,946 per month).
43. 24 C.F.R. § 5.603 defines “low income family” as one whose income is no more than 80% of the median income in the area, and a “very low income family” as one whose income is no more than 50% of the median. The median income in the United States in 2020 is \$78,500 per year, or \$6,541.67 per month. 80% of that figure is \$5,233.33, and 50% of it is \$3,270.83, <https://www.huduser.gov/portal/datasets/il/il20/Medians2020r.pdf>.
44. Scott B. Van Voorhis, “[How much should you have in savings at each age?](#),” *Bankrate.com* (July 31, 2019).
45. For some debtors—those who have received an electronic deposit of wages or certain exempt benefits such as Social Security benefits within the past 60 days—the state provides a self-executing protection of \$1,000. The debtor’s bank is required to protect this amount automatically. See [Appx. G](#).
46. See Paul Kiel, *ProPublica*, “[The 182 Percent Loan: How Installment Lenders Put Borrowers in a World of Hurt](#)” (May 13, 2013).
47. 16 C.F.R. Part 444.
48. For example, it does not protect rugs, a computer, children’s car seats, a lawn mower, bicycles, or carpenter tools.
49. See National Consumer Law Center, [Repossessions](#) (9th ed. 2017).
50. 2020 Cal. Legis. Serv. Ch. 552 (S.B. 616) (WEST), effective Sept. 1, 2020.
51. 2020 Cal. Legis. Serv. Ch. 94 (A.B. 1885) (WEST), effective Jan. 1, 2021.
52. 2020 Cal. Legis. Serv. Ch. 218 (A.B. 2463) (WEST), effective Jan. 1, 2021.
53. 2020 Idaho Laws Ch. 232 (H.B. 464), effective Mar. 2, 2020.
54. 2020 Maryland Laws Ch. 184 (S.B. 425). effective Oct. 1, 2020.
55. 2020 Minn. Sess. Law Serv. Ch. 86 (S.F. 3357) (WEST), effective Aug. 1, 2020.
56. Miss. Laws 2020, H.B. No. 1071, § 1, effective July 1, 2020.
57. 2019 New Hampshire Laws Ch. 166 (H.B. 351), effective Sept. 8, 2019
58. 2020 Utah Laws Ch. 425 (H.B. 169), effective May 12, 2020.
59. 2020 Virginia Laws Ch. 328 (H.B. 790), effective July 1, 2020.
60. The appendix is available at <https://library.nclc.org/nclc/link/ca.ag.01>.
61. National Consumer Law Center, [Fair Debt Collection](#) § 1.4.9.1 (9th ed. 2018).
62. 15 U.S.C. §§ 1673.

## APPENDIX A

# STATE PROTECTION OF WAGES

### **NCLC's *Model Family Financial Protection Act* Recommendation:**

**\$1,000 of disposable income (to be adjusted for inflation); if debtor earns more than this amount, 10% of excess (15% if weekly disposable income exceeds \$1,200)**

STATE	AMOUNT PROTECTED
<b>“A” States Ban Wage Garnishment for Most Debts</b>	
North Carolina	All wages exempt if supporting a family
Pennsylvania	All wages exempt for most debts
South Carolina	All wages exempt
Texas	All wages exempt
<b>“B” States Protect Enough Wages So That Paycheck Does Not Drop Below the Poverty Level (\$503.85 per week for family of four)</b>	
Alaska	\$743 per week if debtor is sole support of debtor's household
California	75% of wages or 40 times state minimum wage (\$13/hour for large employers, less for others) or local minimum wage; more if debtor proves that higher amount is needed. Garnishment is limited to 50% of amount in excess of 40 times state or local minimum wage.
District of Columbia	40 times D.C. minimum wage (\$15/hour); garnishment limited to 25% of amount in excess of this amount; amount protected can be increased if undue hardship is shown
Florida	\$750 if wage earner is head of family
Massachusetts	85% of gross wages or 50 times the greater of the federal or state (\$12.75/hour) minimum wage
Wisconsin	Federal poverty amount, based on family size, is exempt; also allows hardship exemption
<b>“C” States Protect at Least \$350 per Week</b>	
Colorado	80% of disposable income or 40 times state minimum wage (\$12/hour)
Connecticut	75% of wages or 40 times federal or state (\$12/hour) minimum wage
Illinois	Garnishment is limited to 15% of gross wages or the amount in excess of 45 times federal or state (\$10/hour) minimum wage
Maine	75% of wages or 40 times federal or state (\$12/hour) minimum wage
Minnesota	75% of wages or 40 times federal or state (\$10/hour) minimum wage. Also exempts wages of anyone who is, or was within the last 6 months, eligible for public assistance
Nevada	82% of wages or 50 times federal minimum wage
New Hampshire	50 times federal minimum wage
New York	Garnishment is limited to 10% of gross wages, or amount in excess of 30 times federal or state minimum wage. State minimum wage varies from \$11.80 to \$15/hour. Also prohibits garnishment if debtor receives public assistance or would be qualified to receive it if wages were reduced by the garnishment
South Dakota	80% of wages or 40 times federal or state (\$9.30/hour) minimum wage, plus \$25 per dependent
Washington	For consumer debt, 80% of disposable earnings or 35 times state minimum wage (\$13.50/hour)
West Virginia	80% of wages or 50 times federal minimum wage; more can be exempted upon showing of hardship if debt arises from consumer credit sale, consumer lease, or consumer loan

STATE	AMOUNT PROTECTED
<b>“D” States Preserve More of a Worker’s Wages Than the Minimum Required by Federal Law</b>	
<b>Alabama</b>	By statute, protects only the federal minimum, 75% of wages or 30 times federal minimum wage. However, the state constitution provides a \$1,000 wildcard for personal property, and an intermediate state appellate court decision holds that this can be applied to exempt up to \$1,000 in wages in the hands of the debtor’s employer. While the state supreme court has not yet spoken, the existence of this decision justifies raising the state’s rating to a D.
<b>Arizona</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but allows reduction in case of hardship
<b>Delaware</b>	85% of wages
<b>Hawaii</b>	Protects all but 5% of the first \$100 in wages, all but 10% of next \$100, and all but 20% of remainder
<b>Indiana</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but allows reduction in case of hardship
<b>Iowa</b>	For debts arising from consumer contract, protects 75% of wages or 40 times minimum wage; also places dollar cap on amount that can be garnished in a year and allows reduction in case of hardship
<b>Maryland</b>	75% of wages or 30 times state minimum wage (\$11/hour)
<b>Missouri</b>	90% of wages for head of family
<b>Nebraska</b>	85% of wages for head of household
<b>New Jersey</b>	90% of wages if under 250% of poverty
<b>New Mexico</b>	75% of wages or 40 times federal minimum wage
<b>North Dakota</b>	75% of wages or 40 times federal minimum wage, plus \$20 per dependent
<b>Oklahoma</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but allows hardship exemption.
<b>Oregon</b>	Protects the greater of 75% of wages or \$254/week
<b>Rhode Island</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but also prohibits garnishment for one year after receipt of public assistance
<b>Tennessee</b>	Federal minimum (75% of wages or 30 times federal minimum wage), plus \$2.50 per week for each dependent child under age 16
<b>Vermont</b>	For debt arising from consumer credit transaction, 85% of wages or 40 times federal minimum wage; more if debtor shows need
<b>Virgin Islands</b>	90% of wages

<b>Virginia</b>	75% of wages or 40 times federal minimum wage. If household income does not exceed \$1,750/month, additional exemptions of \$34/week for one child, \$52/week for two, and \$66/week for three or more
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<b>STATE</b>	<b>AMOUNT PROTECTED</b>
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**“F” States Protect Only the Federal Minimum**

<b>Arkansas</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Georgia</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Idaho</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Kansas</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Kentucky</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Louisiana</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Michigan</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Mississippi</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Montana</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Ohio</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Puerto Rico</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Utah</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Wyoming</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage

## APPENDIX B

# PROTECTION FOR THE FAMILY HOME

### NCLC's *Model Family Financial Protection Act* Recommendation: Median House Price

STATE	AMOUNT OF PROTECTION
<b>“A” States that Protect the Family Home Regardless of Value</b>	
Arkansas	Limit on number of acres, but no dollar cap
District of Columbia	No dollar cap if head of family
Florida	Limit on number of acres, but no dollar cap
Iowa	Limit on number of acres, but no dollar cap
Kansas	Limit on number of acres, but no dollar cap
Oklahoma	Limit on number of acres, but no dollar cap
Puerto Rico	No dollar cap
South Dakota	Limit on number of acres, but no dollar cap
Texas	Limit on number of acres, but no dollar cap
<b>“A” States that Protect a Median-Priced Home in the State</b>	
California	\$300,000 or median price of home in the county, with cap of \$600,000
Massachusetts	\$500,000 (if recorded homestead declaration)
Minnesota	\$450,000
Nevada	\$605,000
Rhode Island	\$500,000 but statute has very significant exceptions
<b>“B” States Protect a Home Worth 75% to 99% of State Median Price</b>	
Montana	\$250,000
Ohio	\$145,425
Virgin Islands	\$300,000
<b>“C” States Protect a Home Worth 50% to 74% of State Median Price</b>	
Arizona	\$150,000
Idaho	\$175,000
Mississippi	\$75,000
Vermont	\$125,000



STATE	AMOUNT OF PROTECTION
<b>“D” States Protect a Home Worth 25% to 49% of State Median Price</b>	
Alaska	\$72,900
Connecticut	\$75,000
Maine	\$95,000
Nebraska	\$60,000
New Hampshire	\$120,000
New Mexico	\$60,000
New York	\$170,825 (in the 10 most populous counties)
North Dakota	\$100,000
South Carolina	\$63,250
Washington	\$125,000
Wisconsin	\$75,000
<b>“F” States Provide Little or No Protection for the Family Home</b>	
Alabama	\$15,000
Colorado	\$75,000
Delaware	\$500
Georgia	\$21,500
Hawaii	\$30,000
Illinois	\$15,000
Indiana	\$19,300
Kentucky	\$5,000
Louisiana	\$35,000
Maryland	\$6,000 wildcard can be applied to real property
Michigan	\$3,500
Missouri	\$15,000
New Jersey	None
North Carolina	\$35,000
Oregon	\$40,000
Pennsylvania	\$300 wildcard can be applied to real property
Tennessee	\$25,000 if supporting minor child
Utah	\$42,700
Virginia	\$25,000, plus wildcard of \$5,000 and \$500 per dependent
West Virginia	\$5,000 if parent or married person
Wyoming	\$20,000

## APPENDIX C

# PROTECTION OF THE FAMILY CAR

**NCLC's *Model Family Financial Protection Act* Recommendation:**

**\$15,000 car (\$25,000 if adapted for disability), plus \$10,000 wildcard**

STATE	AMOUNT OF PROTECTION
<b>“A” States Protect a Car Worth \$15,000 or More</b>	
Kansas	\$20,000
Nevada	\$15,000
New Hampshire	\$15,000 (amount includes a wildcard*)
North Dakota	\$15,000 (amount includes a wildcard*)
Puerto Rico	No limit on value if used in occupation
Texas	\$15,000 (through use of a wildcard*)
<b>“B” States Protect a Car Worth Between \$10,000 and \$14,999</b>	
District of Columbia	\$10,500 (amount includes a wildcard*)
Idaho	\$11,500 (amount includes a wildcard*)
Massachusetts	\$13,500 (amount includes a wildcard*)
Rhode Island	\$12,000
South Carolina	\$12,650 (amount includes a wildcard*)
Virginia	\$11,000 (amount includes a wildcard*)
<b>“C” States Protect a Car Worth Between \$5,000 and \$9,999</b>	
Alabama	\$7,750 (through use of a wildcard*)
Arizona	\$6,000
Colorado	\$7,500
Florida	\$5,000 (amount includes a wildcard*)
Illinois	\$5,400 (amount includes a wildcard*)
Indiana	\$9,250 (through use of a wildcard*)
Iowa	\$8,000 (amount includes a wildcard*)
Louisiana	\$7,500
Maine	\$7,900 (amount includes a wildcard*)
Maryland	\$5,000 (through use of a wildcard*)
Minnesota	\$5,000
Mississippi	\$9,000 (through use of a wildcard*)
Missouri	\$5,550 (amount includes a wildcard*)
Nebraska	\$9,000 (amount includes a wildcard*)
New Mexico	\$8,500 (amount includes a wildcard*)
New York	\$5,700 (amount includes a wildcard*)

<b>STATE</b>	<b>AMOUNT OF PROTECTION</b>
<b>“C” States Protect a Car Worth Between \$5,000 and \$9,999 (continued)</b>	
<b>North Carolina</b>	\$7,500 (amount includes a wildcard*)
<b>Oklahoma</b>	\$7,500
<b>South Dakota</b>	\$6,000 (through use of a wildcard*)
<b>Tennessee</b>	\$9,000 (through use of a wildcard*)
<b>Vermont</b>	\$9,900 (amount includes a wildcard*)
<b>Washington</b>	\$5,250 (amount includes a wildcard*)
<b>West Virginia</b>	\$6,000 (amount includes a wildcard*)
<b>Wyoming</b>	\$5,000
<b>“D” States Protect a Car Worth Between \$2000 and \$4999</b>	
<b>Alaska</b>	\$4,050
<b>California</b>	\$3,325
<b>Connecticut</b>	\$4,500 (amount includes a wildcard*)
<b>Georgia</b>	\$4,000 (through use of a wildcard*)
<b>Hawaii</b>	\$2,575
<b>Kentucky</b>	\$2,500
<b>Montana</b>	\$2,500
<b>Ohio</b>	\$4,000
<b>Oregon</b>	\$3,000
<b>Utah</b>	\$3,000
<b>Wisconsin</b>	\$4,000
<b>“F” States Provide No Realistic Protection for the Debtor’s Car</b>	
<b>Arkansas</b>	\$500 (through use of a wildcard*)
<b>Delaware</b>	\$500 (through use of a wildcard*)
<b>Michigan</b>	\$1,000 if necessary for debtor to carry on trade or occupation
<b>New Jersey</b>	\$1,000 (through use of a wildcard*)
<b>Pennsylvania</b>	\$300 (through use of a wildcard*)
<b>Virgin Islands</b>	None

\*This table assumes that, if the state allows a “wildcard” exemption (one that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice), the debtor will apply all or most of it first to protect a car up to \$15,000 in value.

## APPENDIX D

# PROTECTION OF FAMILY BANK ACCOUNTS

**NCLC's *Model Family Financial Protection Act* Recommendation:**  
**\$10,000 in a bank account**

STATE	AMOUNT OF PROTECTION
<b>“A” States Protect \$3,000 or More in a Bank Account</b>	
Delaware	Prohibits garnishment of bank accounts
Nevada	\$10,400 (amount includes a \$10,000 wildcard*)
New York	\$2,664 to \$3,600 (depends on applicable minimum wage)
North Dakota	\$3,000 (uses \$3,000 of a \$17,500 wildcard,* \$10,000 of which is available only if debtor does not claim a homestead exemption)
South Carolina	\$6,325
Wisconsin	\$5,000
<b>“B” States Protect Between \$2,000 and \$2,999 in a Bank Account</b>	
Alaska	\$2,970 is protected if a person who is supporting a family does not receive weekly, biweekly, or monthly earnings
Massachusetts	\$2,500
<b>“C” States Protect Between \$1,000 and \$1,999 in a Bank Account, or Protect Deposited Wages</b>	
Alabama	\$1,000 (uses \$1,000 of two wildcards* totaling \$8,750)
California	Wages remain exempt after deposit; in addition, California has a self-executing protection for \$1,788.
Colorado	Wages remain exempt after deposit
Connecticut	The first \$1,000 in the account is exempt if identifiable electronic deposits of wages or certain exempt benefits were made within preceding 60 days.
District of Columbia	\$1,000 (uses \$1,000 of \$8,925 in wildcards,* all but \$850 of which is available only if debtor does not claim a homestead exemption)
Florida	\$1,000 (uses \$1,000 of \$5,000 in wildcards,* \$4,000 of which is available only if debtor does not claim a homestead exemption), plus wages remain exempt after deposit
Idaho	Wages remain exempt after deposit
Illinois	\$1,000 (uses \$1,000 of a \$4,000 wildcard*)
Iowa	Wages remain exempt after deposit
Maryland	\$1,000 (uses \$1,000 of a \$6,000 wildcard*)
Minnesota	Wages remain exempt after deposit
Mississippi	\$1,000 (uses \$1,000 of a \$10,000 wildcard*)
Missouri	Wages remain exempt after deposit
Montana	Wages remain exempt after deposit
Nebraska	\$1,000 (uses \$1,000 of a \$5,000 wildcard*), plus wages remain exempt after deposit
New Hampshire	\$1,000 (uses a wildcard* that ranges from \$1,000 to \$8,000 depending on what other exemptions debtor takes)

STATE	AMOUNT OF PROTECTION
<b>“C” States Protect Between \$1,000 and \$1,999 in a Bank Account, or Protect Deposited Wages (continued)</b>	
<b>New Mexico</b>	\$1,000 (uses \$1,000 of a \$6,000 wildcard,* \$5,000 of which is available only if debtor does not claim a homestead exemption)
<b>North Carolina</b>	\$1,000 (uses \$1,000 of a \$5,000 wildcard* that is available only if debtor does not claim a homestead exemption), plus wages remain exempt after deposit
<b>Oklahoma</b>	Wages remain exempt after deposit
<b>Oregon</b>	Wages remain exempt after deposit; \$400 wildcard* may also be used
<b>Puerto Rico</b>	Wages remain exempt after deposit
<b>South Dakota</b>	\$1,000 (uses \$1,000 of a \$7,000 wildcard*)
<b>Tennessee</b>	\$1,000 (uses \$1,000 of a \$10,000 wildcard*)
<b>Virginia</b>	\$1,000 (uses \$1,000 of a \$6,000 wildcard*)
<b>Washington</b>	\$1,000 (uses \$1,000 of a \$3,000 wildcard,* \$2,000 of which can be used to protect a bank account if the debt is a consumer debt)
<b>West Virginia</b>	\$1,100
<b>“D” States Protect Between \$300 and \$999 in a Bank Account</b>	
<b>Arizona</b>	\$300
<b>Indiana</b>	\$350
<b>Ohio</b>	\$500
<b>Vermont</b>	\$700
<b>“F” States Protect Less than \$300 in a Bank Account</b>	
<b>Arkansas</b>	No protection
<b>Georgia</b>	No protection
<b>Hawaii</b>	No protection
<b>Kansas</b>	No protection
<b>Kentucky</b>	No protection
<b>Louisiana</b>	No protection
<b>Maine</b>	No protection
<b>Michigan</b>	No protection
<b>New Jersey</b>	No protection
<b>Pennsylvania</b>	No protection
<b>Rhode Island</b>	No protection
<b>Texas</b>	No protection
<b>Utah</b>	No protection
<b>Virgin Islands</b>	No protection
<b>Wyoming</b>	No protection

\*This table assumes that, if the state allows a “wildcard” exemption (one that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice), the debtor will apply all or most of it first to protect a car up to \$15,000 in value, and then the remainder to protect up to \$3,000 in a bank account if the state does not provide an earmarked exemption for a bank account.

In some states, the wildcard exemption is also the only exemption available to protect a home. See [Appx. G](#) for state-by-state information about whether and how we applied available wildcards to bank accounts.

## APPENDIX E

# PROTECTION OF HOUSEHOLD GOODS

**NCLC’s *Model Family Financial Protection Act Recommendation*: All household goods, but creditor can seek court order to seize any item worth over \$3,000**

STATE	AMOUNT OF PROTECTION
<b>“A” States Protect All Necessary Household Goods</b>	
California	All necessary household goods
Connecticut	All necessary household goods
Hawaii	All necessary household goods
Kansas	All necessary household goods
Louisiana	No dollar cap for extensive list of household goods used by debtor or family
Maine	No dollar cap
New Mexico	All furniture, with no dollar cap
New York	Extensive list of household goods, including all furniture, with no dollar cap
Oklahoma	All household and kitchen furniture
Puerto Rico	All necessary household goods
<b>“B” States Protect Household Goods Worth \$12,000 or More</b>	
Massachusetts	\$15,000
Nevada	\$12,000
Ohio	\$13,400
Texas	\$85,000 (through use of a wildcard*)
Wisconsin	\$12,000
<b>“C” States Protect Household Goods Worth Between \$8,000 and \$11,999</b>	
District of Columbia	\$8,625
Minnesota	\$11,250
Rhode Island	\$9,600
West Virginia	\$8,000
<b>“D” States Protect Household Goods Worth Between \$2,000 and \$7,999</b>	
Alaska	\$4,050
Arizona	\$6,000
Colorado	\$3,000
Idaho	\$7,500
Iowa	\$7,000
Kentucky	\$3,000
Missouri	\$3,000
Montana	\$4,500

STATE	AMOUNT OF PROTECTION
<b>“D” States Protect Household Goods Worth Between \$2,000 and \$7,999 (continued)</b>	
Nebraska	\$3,000
New Hampshire	\$3,500
North Carolina	\$7,000
North Dakota	\$2,450 (through use of a wildcard*)
Oregon	\$3,000
South Carolina	\$5,050
Utah	\$4,000
Vermont	\$2,500
Virgin Islands	\$3,000
Virginia	\$5,000
Washington	\$6,500
Wyoming	\$4,000
<b>“F” States Protect Less than \$2,000 in Household Goods</b>	
Alabama	No protection
Arkansas	No protection
Delaware	No protection
Florida	No protection
Georgia	\$1,000 (through use of a wildcard*)
Illinois	No protection
Indiana	\$1,000 (through use of a wildcard*)
Maryland	\$1,000
Michigan	\$1,000
Mississippi	No protection
New Jersey	\$1,000
Pennsylvania	No protection
South Dakota	No protection
Tennessee	No protection

\*This table assumes that, if the state allows a “wildcard” exemption (one that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice), the debtor will apply all or most of it first to protect a car up to \$15,000 in value, second to protect up to \$3,000 in a bank account, and third to protect household goods if the state does not provide an earmarked exemption for them.

## APPENDIX F

# THE RATING SYSTEM FOR THIS REPORT

State exemption laws differ in their approach. Some provide a list of property that debtors can preserve from their creditors, with a dollar cap for each category. Others provide a wildcard exemption of a certain dollar amount. Then the debtor chooses what specific items to protect. Some wildcards are limited to certain kinds of property, and some are available only if the debtor does not take advantage of some other exemption, usually the homestead exemption. Many states' exemption schemes combine both a list of earmarked exemptions and a wildcard. Some exemptions are available only to the head of a household, and some states increase certain exemptions if the debtor is supporting children.

In order to treat these states uniformly, so that their results for debtors can be compared on a state-by-state basis, this report has employed certain assumptions. We assume that, if a wildcard is available, the debtor will apply it first to preserve a car worth up to \$15,000, since for so many debtors a working car is necessary to keep a job, buy groceries, and get health care. However, if the wildcard exemption is at least \$3,000 and the state does not offer an earmarked exemption for a bank account or household goods, we reserve \$1,000 of the wildcard for those purposes. If any amount of a wildcard remains after applying it to preserve a car worth up to \$15,000, we apply it next to a bank account, if the state allows it to be used for this purpose and if the state did not provide an earmarked exemption for a bank account. If any amount remains after preserving up to \$3,000 in a bank account, we apply the remainder to the debtor's household goods. The reason for applying it last to household goods despite their importance for the debtor's daily life is that they often have so little resale value that the creditor will only threaten to seize them, so a debtor who has no other options may decide to run that risk.

In some states, a wildcard is available only if the debtor does not claim some other exemption, typically a homestead exemption. For purposes of our ratings of the state's protection of a car, a bank account, and household goods, we have assumed that the debtor has not claimed a homestead exemption. A few states offer a wildcard in the amount of any unused portion of certain earmarked exemptions for types of personal property. In these states, we have assumed that the debtor has not used an exemption for tools of the trade or crops, but has used the full exemption for a car, a bank account, and household goods.

Some states allow married debtors to "stack" their exemptions. For example, if a state allowed a \$2,000 exemption for a car, each spouse might be able to exempt that amount and save a car worth \$4,000. The figures in this report are based on the individual exemption amounts unless otherwise stated.



Some states provide higher exemption amounts for debtors who are elderly or disabled. In this report we have not used these higher amounts. When states provide a higher exemption amount for a person who is the head of a family, however, we have used that amount in our ratings. A few states also provide small increases in their protection of wages or property when the debtor has dependent children. In those states, we have assumed that the debtor has two children.

When there are ambiguities in state exemption laws, we have interpreted them in favor of a broader rather than a narrower exemption. For example, some states are not very clear about whether the state's protection of the debtor's wages continues after the wages have been paid and deposited in the debtor's bank account. If the statute is worded in a way that suggests that the protection might apply to deposited wages, for example by applying the exemption to wages that are "paid or payable," we looked for court decisions addressing this question. If we found cases that provided any indication that the protection could be used to protect deposited wages, we rated the state as allowing this. Similarly, some states' exemption laws are not clear about whether a wildcard exemption can be used to protect a bank account. For example, the statute may provide that the wildcard exemption applies to "any real or personal property." If we could find any cases that treated such a wildcard as available to protect a bank account, we treated it as available. If we have overlooked any decisions or statutes that address these or other questions, please bring them to our attention.

Interpreting ambiguous exemption laws broadly is in line with the general principle that state exemption laws are to be interpreted liberally in favor of the debtor. But it also means that, even in states that we rate highly, the exemption law may need improvements to make it clear that the broader reading is correct.

In calculating the amount of wages protected from garnishment, we have assumed that the debtor is working full-time at minimum wage and is the head of a four-person household that includes two dependent children. If the state law explicitly requires the state minimum wage rather than the federal minimum wage to be used in a particular calculation, we have done so. In the few states that provide that a calculation is to be based on the larger of the state or local minimum wage, we have used the state minimum. In New York, the state minimum wage varies based on the size and location of the employer, and in California it varies based on the size of the employer. In both cases we have used the highest minimum wage.

Our rating of the state's protection of the debtor's home is based on the extent to which the state's homestead exemption protects a median-priced home in the state. Median home values are based on the U.S. Census Bureau's latest American Community Survey figures, which were released in September 2020 and reflect 2019 one-year estimates.<sup>1</sup> In New York, where the exempt amount ranges from \$85,400

<sup>1</sup> <https://data.census.gov/cedsci/table?q=Median%20home%20values&g=0100000US.04000.001&tid=ACSDT1Y2019.B25077&hidePreview=true>.

to \$170,825 depending on the county, we have chosen the exemption amount (\$170,825) that applies to the ten most populous counties. The average of those 10 counties' median home values is \$597,820.<sup>2</sup> For the Virgin Islands, a 2010 figure<sup>3</sup> is the latest available. To approximate the current median home value, we have calculated the percentage by which the median value of homes in the United States as a whole has increased since 2010 and applied that same percentage to the 2010 Virgin Islands figure. The result is a current median home value of \$339,962. This is consistent with a 2019 figure for the average price of homes on St. Croix and St. Thomas in 2019.<sup>4</sup>

Some states make a homestead exemption dependent in whole or in part on filing of a document declaring that the home is the consumer's homestead. In those states, we have assumed that the debtor has filed the required declaration.

Several jurisdictions provide an exemption for a car only if the debtor uses it to get to work. Since this exemption would be available for the typical working family, we have included those exemptions in this report. In some other states, an exemption for "tools of the trade" may apply to a car, but often the cases require the car to be used for more work-related functions than just getting to and from work. In this report we have assumed that any exemption for tools of the trade is not interpreted to be flexible enough to exempt a car that is used for commuting.

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<sup>2</sup> See [2019 median home value estimates for New York counties](#).

<sup>3</sup> U.S. Census Bur., Table 3-3, [Selected Household Characteristics by Household Size: 2010](#) (click on the "Cross Tabulations Part 1" document listed under "Available Datasets," then click on the tab for Table 3-3).

<sup>4</sup> U.S. Dept. of Housing & Urban Development, [Comprehensive Housing Market Analysis: United States Virgin Islands](#) (Aug. 1, 2019), at 13. The average price is somewhat higher than the median value, but this is to be expected since high-value homes will skew the average price higher than the median.

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## APPENDIX G

# STATE SUMMARIES

This appendix shows, for each state plus the District of Columbia, Puerto Rico, and the Virgin Islands, how well the jurisdiction protects a family's basic income and assets from seizure by creditors and debt collectors. It analyzes the jurisdiction's exemption laws from the perspective of a consumer who is supporting two children and working full-time at minimum wage. It includes the overall grade for the state, and the grades for each of the five elements we rate: protection of a living wage, the home, a car, a basic amount in a bank account, and household goods.

# ALABAMA



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Ala. Code §§ 5-19-15, 6-10-7; Ala. Const. Art. X, § 204	By statute, state protects just the federal minimum, 75% of wages or 30 times the federal minimum wage. However, the state constitution provides a \$1,000 wildcard for personal property, and an intermediate state appellate court decision, <i>Renter's Realty v. Smith</i> , 2020 WL 113382 (Ala. Ct. Civ. App. Jan. 10, 2020), holds that this can be applied to exempt up to \$1,000 in wages in the hands of the debtor's employer. While the state supreme court has not yet spoken, the existence of this decision justifies raising the state's rating to a D.	D
A home worth ...	\$15,000	Ala. Code § 6-10-2	This is 10% of the median home value in the state. The exemption amount will increase to \$16,450 on April 21, 2021.	F
A car worth ...	\$7,750	Ala. Code § 6-10-6	The only exemptions available for a car are a \$7,750 statutory wildcard,* adjusted triennially for inflation, and a \$1,000 constitutional wildcard. This uses all but \$1,000 of these wildcards. The statutory wildcard will increase to \$8,225 on April 21, 2021.	C
A bank account worth ...	\$1,000	Ala. Code § 6-10-6	This uses the remainder of the wildcards. In <i>In re Lively</i> , 583 BR 534 (Bankr. M.D. Ala. 2017), the court treated the statutory wildcard as available to protect a sum of money that a state court was holding for the debtor, so it appears that it can probably be used to protect a bank account.	C
Household goods worth ...	No protection	Ala. Code § 6-10-6	If the wildcards are used to protect a \$6,750 car and \$1,000 in a bank account, nothing will be left to protect household goods.	F

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

Source: ©2020, National Consumer Law Center, *No Fresh Start 2020: Will States Let Debt Collectors Push Families Into Poverty in the Wake of A Pandemic?*

# ALASKA



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$743	Alaska Stat. §§ 09.38.030, 09.38.050; Alaska Admin. Code tit. 8, § 95.030	State protects \$743 (adjusted biennially for inflation) if the debtor is the sole support of a household.	B
A home worth ...	\$72,900 (adjusted biennially for inflation)	Alaska Stat. § 09.38.010; Alaska Admin. Code tit. 8, § 95.030	This is 26% of the median home value in the state.	D
A car worth ...	\$4,050 in car worth up to \$27,000 (adjusted biennially for inflation)	Alaska Stat. § 09.38.020; Alaska Admin. Code tit. 8, § 95.030	Earmarked exemption.	D
A bank account worth ...	For a person who is not earning regular wages, \$2,970 is protected.	Alaska Stat. § 09.38.030; Alaska Admin. Code tit. 8, § 95.030	Earmarked exemption. It also appears that wages remain exempt after payment. <i>In re Henrickson</i> , 2007 WL 703620 (Bankr. D. Alaska Mar. 5, 2007), holds that assets that can be traced back to wages are exempt. In addition, the protection of \$743 of the debtor's wages applies to "earnings," defined as "money received by an individual..." (emphasis added). <i>Miller v. Monrean</i> , 507 P.2d 771 (Alaska 1973), was based on an earlier version of the statute but expresses a strong view that deposited wages should remain exempt.	B
Household goods worth ...	\$4,050 (adjusted biennially for inflation)	Alaska Stat. § 09.38.030; Alaska Admin. Code tit. 8, § 95.030	Earmarked exemption.	D

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

Source: ©2020, National Consumer Law Center, *No Fresh Start 2020: Will States Let Debt Collectors Push Families Into Poverty in the Wake of A Pandemic?*

## ARIZONA



### A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Ariz. Rev. Stat. Ann. § 33-1131	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage, but allows garnishment to be reduced in case of hardship.	D
A home worth ...	\$150,000	Ariz. Rev. Stat. Ann. § 33-1101	This is 59% of the median home value in the state.	C
A car worth ...	\$6,000 (\$12,000 if disabled)	Ariz. Rev. Stat. Ann. §33-1125	Earmarked exemption.	C
A bank account worth ...	\$300	Ariz. Rev. Stat. Ann. §33-1126	Earmarked exemption.	D
Household goods worth ...	\$6,000	Ariz. Rev. Stat. Ann. § 33-1123	Earmarked exemption.	D

*\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.*

*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

*Source: ©2020, National Consumer Law Center, No Fresh Start 2020: Will States Let Debt Collectors Push Families Into Poverty in the Wake of A Pandemic?*

# ARKANSAS



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Ark. Code Ann. § 16-66-208	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	No dollar cap if married or head of household	Ark. Const. art. 9, §§ 3,4,5. Ark. Code Ann. § 16-66-210	Limit on number of acres, but no dollar cap	A
A car worth ...	\$500		The only exemption available for a car is a \$500 wildcard* for a head of household. This uses all of that wildcard.	F
A bank account worth ...	No protection		If the wildcard is used to protect a \$500 car, nothing will be left to protect a bank account.	F
Household goods worth ...	No protection		If the wildcard is used to protect a \$500 car, nothing will be left to protect household goods.	F

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# CALIFORNIA **B**

## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$520	Cal. Civ. Proc. Code § 706.050	State protects 75% of disposable earnings or 40 times the state minimum wage (\$13/hour for large employers, less for others). If debtor earns more than 40 times the state minimum wage, 50% of the amount in excess of 40 times the state minimum wage can be garnished.	B
A home worth ...	Median home value in county or \$300,000, whichever is greater, capped at \$600,000	Cal. Civ. Proc. Code § 704.730	This is 100% of the average median home value in the state.	A
A car worth ...	\$3,325 (adjusted triennially for inflation)	Cal. Civ. Proc. Code § 704.010	Earmarked exemption.	D
A bank account worth ...	\$1,788 self-executing protection; in addition, 100% of wages remain exempt after deposit if garnished before deposit; otherwise 75% exempt.	Cal. Civ. Proc. Code § 704.220		C
Household goods worth ...	No dollar cap	Cal. Civ. Proc. Code § 704.020	Ordinary and reasonably necessary household goods are exempt. Items of extraordinary value may be sold, but the portion of the proceeds that is needed to purchase a replacement item of ordinary value is exempt.	A

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# COLORADO D

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$480	Colo. Rev. Stat. § 13-54-104	State protects 80% of disposable income or 40 times state minimum wage of \$12.	C
A home worth ...	\$75,000 (\$105,000 elder or disabled)	Colo. Rev. Stat. § 38-41-201	This is 19% of the median home value in the state.	F
A car worth ...	\$7,500 (\$12,500 if elderly or disabled)	Colo. Rev. Stat. § 13-54-102	Earmarked exemption.	C
A bank account worth ...	None, but wages remain exempt after deposit.	Colo. Rev. Stat. § 13-54-104	The statute's protection of wages that are "paid or payable" has been construed to protect deposited wages. See, e.g., <i>In re Kobernusz</i> , 160 B.R. 844 (D. Colo. 1993).	C
Household goods worth ...	\$3,000	Colo. Rev. Stat. § 13-54-102	Earmarked exemption.	D

*\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.*

*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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# CONNECTICUT

## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$480	Conn. Gen. Stat. § 52-361a(f)	State protects 75% or 40 times the state minimum wage of \$12.	C
A home worth ...	\$75,000 (\$125,000 for certain medical debts).	Conn. Gen. Stat. § 52-352b(t)	This is 27% of the median home value in the state.	D
A car worth ...	\$4,500	Conn. Gen. Stat. §§ 52-352b (j), (r)	This combines a \$3,500 earmarked exemption with a \$1,000 wildcard.*	D
A bank account worth ...	If identifiable electronic deposits of wages or certain exempt benefits were made within preceding 60 days, the first \$1,000 in the account is exempt.	Conn. Gen. Stat. § 52-367b		C
Household goods worth ...	No dollar cap	Conn. Gen. Stat. §§ 52-352a, 52-352b(a)	"Necessary" furniture, appliances, etc.	A

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# DELAWARE



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$246.60	Del. Code Ann. tit. 10, § 4913	State protects 85% of wages.	D
A home worth ...	A \$500 wildcard* for the head of a family can be applied to a home-stead.	Del. Code Ann. tit. 10, § 4903	This is 0.2% of the median home value in the state.	F
A car worth ...	\$500	Del. Code Ann. tit. 10, § 4903	The only exemption available for a car is a \$500 wildcard, available only if it is not applied to the home. This uses all of the wildcard.	F
A bank account worth ...	Bank accounts cannot be garnished in Delaware.	Del. Code Ann. tit. 10, § 3502(b)		A
Household goods worth ...	No protection	Del. Code Ann. tit. 10, § 4903	If the wildcard is used to protect a \$500 car, nothing will be left to protect household goods	F

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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## DISTRICT OF COLUMBIA B

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$600	D.C. Code § § 16-572, 16-572a	40 times the D.C. minimum wage of \$15/hour is protected. If the debtor makes more than 40 times the District's minimum wage (\$600), the creditor can garnish 25% of the wages over that amount. More can be exempted upon showing of undue hardship.	B
A home worth ...	No dollar cap if debtor is the head of a family	D.C. Code § 15-501(a) (14)		A
A car worth ...	\$10,500 if debtor is head of a family	D.C. Code § 15-501(a)(1), (a)(3)	This combines an earmarked exemption of \$2,575 with an \$850 wildcard* that is available to the head of a family and \$7,075 of a second \$8,075 wildcard that is available if the debtor does not use the homestead exemption.	B
A bank account worth ...	\$1,000	D.C. Code § 15-501(a)(3)	This makes use of the remaining \$1,000 of the second wildcard.	C
Household goods worth ...	\$425/item/ \$8,625 aggregate if debtor is head of a family	D.C. Code § 15-501(a)(2)	Earmarked exemption.	C

*\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.*

*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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# FLORIDA



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$750	Fla. Stat. § 222.11	For head of household, the first \$750 is exempt; amounts over \$750 may be garnished only if debtor has agreed in writing.	B
A home worth ...	No dollar cap	Fla. Const. art. X, § 4(a)(1); Fla. Stat. § 222.05	Limit on number of acres, but no dollar cap	A
A car worth ...	\$5,000	Fla. Const. art. X, § (4)(a)(2); Fla. Stat. §§ 222.25	This combines an earmarked exemption of \$1,000 with a \$1,000 constitutional wildcard* and \$3,000 of a \$4,000 statutory wildcard that is available to a debtor who does not claim or benefit from the state homestead exemption.	C
A bank account worth ...	\$1,000. In addition, wages remain exempt after deposit.	Fla. Const. art. X, § (4)(a)(2); Fla. Stat. §§ 222.11, 222.25	This makes use of the remaining \$1,000 of the statutory wildcard. <i>In re Rodale</i> , 452 B.R. 290 (Bankr. M.D. Fla. 2011) treats a "financial account" as "personal property" that can be protected by the \$4,000 wildcard. <i>See also In re Abbott</i> , 408 B.R. 903 (Bankr. S.D. Fla. 2009) (applying the wildcard exemption to a checking account).	C
Household goods worth ...	No protection	Fla. Const. art. X, § (4)(a)(2); Fla. Stat. §§ 222.25	There is no earmarked exemption. If the wildcards are used to protect a \$5,000 car and \$1,000 in a bank account, nothing will be left to protect household goods.	F

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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## GEORGIA



### A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Ga. Code Ann. § 18-4-5	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	\$21,500	Ga. Code Ann. § 44-13-1	This is 11% of the median home value in the state.	F
A car worth ...	\$4,000	Ga. Code Ann. § 44-13-1	The only exemption available for a car is a \$5,000 wildcard.* This uses all but \$1,000 of the wildcard.	D
A bank account worth ...	No protection	Ga. Code Ann. § 44-13-1	Since the wildcard can be used only for "real or personal property," it is unclear whether any part of it can be applied to protect a bank account, so the remaining \$1,000 of the wildcard will be applied to household goods.	F
Household goods worth ...	\$1,000	Ga. Code Ann. § 44-13-1	This uses the remainder of the wildcard.	F

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# HAWAII



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$257	Haw. Rev. Stat. § 652(1)(a)(4)	State protects all but 5% of the first \$100 in wages, all but 10% of the next \$100, and all but 20% of the remainder.	D
A home worth ...	\$30,000 for head of family or elder	Haw. Rev. Stat. § 651-92	This is 4% of the median home value in the state.	F
A car worth ...	\$2,575	Haw. Rev. Stat. § 651-1221(2)	Earmarked exemption.	D
A bank account worth ...	No protection			F
Household goods worth ...	No dollar cap	Haw. Rev. Stat. § 651-121(1)	All necessary furnishings, appliances, etc.	A

*\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.*

*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

*Source: ©2020, National Consumer Law Center, No Fresh Start 2020: Will States Let Debt Collectors Push Families Into Poverty in the Wake of A Pandemic?*

# IDAHO



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	217.50	Idaho Code Ann. §§ 11-207, 11-712	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	\$175,000	Idaho Code §§ 11-1001 to 11-1003	This is 69% of the median home value in the state.	C
A car worth ...	\$11,500	Idaho Code § 11-605(3), (10)	This combines a \$10,000 earmarked exemption with a \$1,500 wildcard.*	B
A bank account worth ...	None, but wages remain exempt after deposit.	Idaho Code § 11-713	There is no earmarked exemption, and the wildcard is unavailable because it applies only to tangible personal property, but wages remain exempt after deposit.	C
Household goods worth ...	\$7,500	Idaho Code § 11-605(1)	Earmarked exemption: \$750 for any single item, capped at \$7,500 in the aggregate.	D

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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## ILLINOIS



### A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$450	735 Ill. Comp. Stat. § 5/12-803; 740 Ill. Comp. Stat. § 170/4	Garnishment is limited to 15% of gross wages or the amount in excess of 45 times the federal or state minimum wage (\$10/hour).	C
A home worth ...	\$15,000	735 Ill. Comp. Stat. § 5/12-901	This is 7% of the median home value in the state.	F
A car worth ...	\$5,400	735 Ill. Comp. Stat. § 5/12-1001(b), (c)	This combines an earmarked exemption of \$2,400 with \$3,000 of a \$4,000 wildcard.*	C
A bank account worth ...	\$1,000	735 Ill. Comp. Stat. § 5/12-1001(b)	This makes use of the remaining \$1,000 of the second wildcard.	C
Household goods worth ...	No protection	735 Ill. Comp. Stat. § 5/12-1001(b)	If the wildcard is used to protect a \$5,400 car and \$1,000 in a bank account, nothing will be left to protect household goods.	F

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# INDIANA



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Ind. Code § 24-4.5-5-105	State protects 75% of wages or 30 times the federal minimum wage, but garnishment can be reduced to as low as 10% of wages upon a showing of good cause.	D
A home worth ...	\$19,300 (adjusted every 6 years for inflation)	Ind. Code §§ 34-55-10-2(c), 34-55-10-2.5, 34-55-10-14; 750 Ind. Admin. Code § 1-1-1	This is 12% of the median home value in the state.	F
A car worth ...	\$9,250	Ind. Code § 34-55-10-2(c)(2)	The only exemption available for a car is a \$10,250 wildcard* (adjusted every 6 years for inflation) for tangible personal property. This uses all but \$1,000 of the wildcard.	C
A bank account worth ...	\$350 (adjusted every 6 years for inflation)	Ind. Code § 34-55-10-2(c)(3); 750 Ind. Admin. Code § 1-1-1	Earmarked exemption.	D
Household goods worth ...	\$1,000	Ind. Code § 34-55-10-2(c)(2)	There is no earmarked exemption. This uses the remaining \$1,000 of the wildcard.	F

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# IOWA



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$290	Iowa Code §§ 537.5105, 642.21	For debts arising from consumer contract, the state protects 75% or 40 times the minimum wage. In addition there is an annual cap: for a debtor at the poverty level the cap is \$1,500 per year and garnishment can be reduced in case of hardship.	D
A home worth ...	No dollar cap	Iowa Code § 561.2	Limit on number of acres, but no dollar cap	A
A car worth ...	\$8,000	Iowa Code § 627.6(9)	This combines a \$7,000 earmarked exemption with a \$1,000 wildcard.*	C
A bank account worth ...	None, but deposited wages are exempt.	Iowa Code § 642.21(3)	Iowa Code § 642.21(3) protects compensation that is "paid or payable" <i>MidAmerica Savings Bank v. Miede</i> , 438 N.W.2d 837 (Iowa 1989) holds that deposited wages are protected.	C
Household goods worth ...	\$7,000	Iowa Code § 626.6(5)	Earmarked exemption.	D

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# KANSAS



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	217.50	Kan. Stat. Ann. § 60-2310	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	No dollar cap	Kan. Stat. Ann. § 60-2301	Limit on number of acres but no dollar cap	A
A car worth ...	\$20,000	Kan. Stat. Ann. § 60-2304(c)	Earmarked exemption.	A
A bank account worth ...	No protection			F
Household goods worth ...	No dollar cap	Kan. Stat. Ann. § 60-2304(a)	All reasonably necessary household goods.	A

\*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# KENTUCKY



**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Ky. Rev. Stat. Ann. § 427.010	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	\$5,000	Ky. Rev. Stat. Ann. § 427.060	This is 3% of the median home value in the state.	F
A car worth ...	\$2,500	Ky. Rev. Stat. Ann. § 427.010(1)	Earmarked exemption.	D
A bank account worth ...	No protection			F
Household goods worth ...	\$3,000	Ky. Rev. Stat. Ann. § 427.010(1)	Earmarked exemption.	D

*\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.*

*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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# LOUISIANA



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	La. Rev. Stat. Ann. § 13:3881	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	\$35,000 (100% of value for expenses of certain catastrophic illness; may not be seized for consumer credit card debt, but lien is created)	La. Rev. Stat. Ann. §§ 20:1, 13:3851.1	This is 20% of the median home value in the state.	F
A car worth ...	\$7,500 (additional \$7,500 if adapted for disability)	La. Rev. Stat. Ann. § 13:3881(A) (7), (8)	Earmarked exemption.	C
A bank account worth ...	No protection			F
Household goods worth ...	No dollar cap	La. Rev. Stat. Ann. §§ 13:3881(A) (3), (A)(4)	Extensive list of household goods used by debtor or family.	A

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# MAINE



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$480	Maine Rev. Stat. Ann. tit. 9-A § 5-105(2)	State protects 75% of wages or 40 times the state minimum wage of \$12/hour.	C
A home worth ...	\$95,000 for joint owners, elderly or disabled, or debtor with minor dependents (\$47,500 individual; \$190,000 joint owners and elderly or disabled)	Me. Rev. Stat. Ann. tit. 14, § 4422(1)	This is 47% of the median home value in the state.	D
A car worth ...	\$7,900	Me. Rev. Stat. Ann. tit. 14, § 4422(2), (16)	This combines an earmarked exemption of \$7,500 with a \$400 wildcard.*	C
A bank account worth ...	No protection		There is no earmarked exemption, and if the \$400 wildcard is applied to protect the debtor's car, nothing will be left to protect a bank account.	F
Household goods worth ...	No aggregate dollar cap.	Me. Rev. Stat. Ann. tit. 14, § 4422(3), (6), (8), (16)	Household goods are exempt without an aggregate dollar cap; there is a cap of \$200 per item for most items, but if the debtor does not use the homestead exemption a \$6,000 wildcard exemption is available and can be used to protect more expensive items.	A

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# MARYLAND



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$440	Md. Code Ann. Com. Law § 15.601.1	State protects 75% of wages or 30 times the state minimum wage.	D
A home worth ...	\$6,000 wildcard* can be applied to real property.	Md. Code Ann. Cts. & Jud. Proc. § 11-504	This is 2% of the median home value in the state.	F
A car worth ...	\$5,000	Md. Code Ann. Cts. & Jud. Proc. § 11-504(b)(5)	The only exemption available for a car is a \$6,000 wildcard that is available if the debtor does not use the homestead exemption. This uses all but \$1,000 of the wildcard.	C
A bank account worth ...	\$1,000	Md. Code Ann. Cts. & Jud. Proc. § 11-504(b)(5)	This uses the remaining \$1,000 of the wildcard.	C
Household goods worth ...	\$1,000	Md. Code Ann. Cts. & Jud. Proc. § 11-504(b)(4)	Earmarked exemption.	F

*\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice. This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour. Source: ©2020, National Consumer Law Center, No Fresh Start 2020: Will States Let Debt Collectors Push Families Into Poverty in the Wake of A Pandemic?*



## MASSACHUSETTS **B**

A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$637.50	Mass. Gen. Laws Ch. 246, § 28	State protects 85% of gross wages or 50 times the greater of the federal or state minimum wage (\$12.75/hour).	B
A home worth ...	\$500,000 (declared)	Mass. Gen. Laws Ch. 188, § 1	This is more than 100% of the median home value in the state.	A
A car worth ...	\$13,500	Mass. Gen. Laws Ch. 235, §§ 34(16), (17)	This combines an earmarked exemption of \$7,500 with \$1,000 of a general wildcard* and \$5,000 of certain unused exemptions.	B
A bank account worth ...	\$2,500	Mass. Gen. Laws Ch. 235, § 34(15), Ch. 246, § 28A	Earmarked exemption.	B
Household goods worth ...	\$15,000	Mass. Gen. Laws Ch. 235, § 34(15), Ch. 246, § 28A	Earmarked exemption.	B

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# MICHIGAN



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	217.50	Mich. Comp. Laws § 600.5311	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	\$3,500	Mich. Comp. Laws §§ 600.6023, 600.6024, 559.214	This is 2% of the median home value in the state.	F
A car worth ...	\$1,000	Mich. Comp. Laws § 600.6023(1)	Earmarked exemption for a motor vehicle “to enable a person to carry on the profession, trade, occupation, or business in which the person is principally engaged.”	F
A bank account worth ...	No protection			F
Household goods worth ...	\$1,000	Mich. Comp. Laws § 600.6023(1)	Earmarked exemption.	F

*\*A “wildcard” is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor’s choice.*

*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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# MINNESOTA



**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$400	Minn. Stat. §§ 550.37(13), 571.922	State protects 75% of wages or 40 times the state (\$10/hour) or federal minimum wage. It also exempts wages of anyone who is, or was within the last 6 months, eligible for public assistance.	C
A home worth ...	\$450,000 (\$1,125,000 for a farm), adjusted biennially for inflation	Minn. Stat. §§ 510.01, 510.02, 550.37(12)	This is more than 100% of the median home value in the state.	A
A car worth ...	\$5,000. (\$50,000 if modified for disability), adjusted biennially for inflation	Minn. Stat. § 550.37(12a)	Earmarked exemption.	C
A bank account worth ...	None, but wages remain exempt after deposit for 20 days if traceable.	Minn. Stat. § 550.37(13)		C
Household goods worth ...	\$11,250 Adjusted biennially for inflation.	Minn. Stat. § 550.37(4)	Earmarked exemption.	C

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*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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# MISSISSIPPI



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Miss. Code Ann. § 85-3-4	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	\$75,000	Miss. Code Ann. § 85-3-21, 85-3-1(d)	This is 59% of the median home value in the state.	C
A car worth ...	\$9,000	Miss. Code Ann. § 85-3-1	The only exemption available for a car is a \$10,000 wildcard.* This uses all but \$1,000 of the wildcard.	C
A bank account worth ...	\$1,000	Miss. Code Ann. § 85-3-1	This uses the remaining \$1,000 of the wildcard, which can be applied to "cash on hand."	C
Household goods worth ...	No protection	Miss. Code Ann. § 85-3-1	If the wildcard is used to protect a \$9,000 car and \$1000 in a bank account, nothing will be left to protect household goods.	F

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# MISSOURI



**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$261.00	Mo. Rev. Stat. § 525.030	State protects 90% of wages if the debtor is the head of a family.	D
A home worth ...	\$15,000	Mo. Rev. Stat. § 513.475	This is 9% of the median home value in the state.	F
A car worth ...	\$5,550	Mo. Rev. Stat. §§ 513.430(1)(3), (1)(5), 513.440	This combines an earmarked exemption of \$3,000 with a \$600 general wildcard,* an additional \$1,250 wildcard that is available to a debtor who is the head of a household, and two exemptions of \$350 that are available for each dependent child.	C
A bank account worth ...	No protection		If the wildcards are used to protect a \$5,550 car, nothing will be left to protect a bank account. However, <i>In re Arnold</i> , 193 B.R. 897 (Bankr. W.D. Mo. 1996), holds that wages on deposit are protected.	C
Household goods worth ...	\$3,000	Mo. Rev. Stat. § 513.430(1)(1)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a “wildcard” exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# MONTANA



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Mont. Code Ann. § 25-13-614	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	\$250,000	Mont. Code Ann. §§ 70-32-101, 70-32-104	This is 99% of the median home value in the state.	B
A car worth ...	\$2,500	Mont. Code Ann. § 25-13-609(2)	Earmarked exemption.	D
A bank account worth ...	None, but protects earnings for 45 days after receipt if traceable	Mont. Code Ann. § 25-13-610(2), (3)		C
Household goods worth ...	\$4,500 aggregate; \$600/item	Mont. Code Ann. § 25-13-609(1)	Earmarked exemption.	D

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# NEBRASKA D

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$246.50	Neb. Rev. Stat. § 25-1558	State protects 85% of wages of the head of a household.	D
A home worth ...	\$60,000	Neb. Rev. State §§ 40-101, 40-102	This is 35% of the median home value in the state.	D
A car worth ...	\$9,000 (to be adjusted for inflation every five years beginning in 2023)	Neb. Rev. Stat. §§ 25-1556(4), 25-1552	This combines an earmarked exemption of \$5,000 with \$4,000 of a \$5,000 wildcard.*	C
A bank account worth ...	\$1,000. Wages exempt for 60 days from start of proceeding.	Neb. Rev. Stat. §§ 25-1552, 25-1560	This makes use of the remaining \$1,000 of the wildcard.	C
Household goods worth ...	\$3,000 (to be adjusted for inflation every five years beginning in 2023)	Neb. Rev. Stat. § 25-1556(4)	Earmarked exemption.	D

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*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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## NEVADA

# B

A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	362.50	Nev. Rev. Stat. §§ 22.090(1)(g), 31.295.2	State protects 82% of wages or 50 times the federal minimum wage.	C
A home worth ...	\$605,000	Nev. Rev. Stat. § 115.010	This is more than 100% of the median home value in the state.	A
A car worth ...	\$15,000	Nev. Rev. Stat. § 21.090(1)(f)	Earmarked exemption.	A
A bank account worth ...	\$10,400	Nev. Rev. Stat. §§ 21.090(1)(g)(2), (z), 21.105	This makes use of a \$400 automatic protection, plus a \$10,000 wildcard.* In addition, wages remain exempt after deposit.	A
Household goods worth ...	\$12,000	Nev. Rev. Stat. § 21.090(1)(b)	Earmarked exemption.	B

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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## NEW HAMPSHIRE C

A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$362.50	N.H. Rev. Stat. Ann. § 512:21	State protects 50 times the federal minimum wage.	C
A home worth ...	\$120,000	N.H. Rev. Stat. Ann. § 480:1	This is 43% of the median home value in the state.	D
A car worth ...	\$15,000	N.H. Rev. Stat. Ann. § 511:2(XVI), (XVII)	This combines an earmarked exemption of \$10,000 with a \$1,000 general wildcard.* In addition, a second wildcard consists of up to \$7,000 of certain unused exemptions. If the debtor does not use the \$5,000 exemption for tools of the trade, that amount will be available for this second wildcard. If the debtor uses \$4,000 of this second wildcard, a car worth \$15,000 can be protected.	A
A bank account worth ...	\$1,000	N.H. Rev. Stat. Ann. § 511:2 (XVII)	This makes use of the remaining \$1,000 of the second wildcard.	C
Household goods worth ...	\$3,500	N.H. Rev. Stat. Ann. § 511:2(II) to (VI), (XX)	Earmarked exemption.	D

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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## NEW JERSEY



**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$261.00	N.J. Stat. Ann. § 2A:17-56	State protects 90% of wages if the debtor is under 250% of the federal poverty level.	D
A home worth ...	No protection			F
A car worth ...	\$1,000	N.J. Stat. Ann. § 2A:17-19	The only exemption available for a car is a \$1,000 wildcard* for all personal property.	F
A bank account worth ...	No protection	N.J. Stat. Ann. § 2A:17-19		F
Household goods worth ...	\$1,000	N.J. Stat. Ann. § 2A:26-4	Earmarked exemption.	F

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## NEW MEXICO

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$290	N.M. Stat. Ann. § 35-12-7	State protects 75% of wages or 40 times the federal minimum wage	D
A home worth ...	\$60,000	N.M. Stat. Ann. § 42-10-9	This is 33% of the median home value in the state.	D
A car worth ...	\$8,500	N.M. Stat. Ann. §§ 42-10-1, 42-10-2, 42-10-10	This combines an earmarked exemption of \$4,000 with a \$500 exemption for the head of the household and all but \$1,000 of a second \$5,000 wildcard* that is available to a debtor who does not use the homestead exemption.	C
A bank account worth ...	\$1,000	N.M. Stat. Ann. § 42-10-10	This makes use of the remaining \$1,000 of the second wildcard.	C
Household goods worth ...	No dollar cap	N.M. Stat. Ann. §§ 42-10-1, 42-10-2	All furniture is protected.	A

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## NEW YORK

# B

### A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$450	N.Y. C.P.L.R. § 5231; N.Y. Soc. Serv. Law § 137-a	Garnishment is limited to 10% of gross wages, or amount in excess of 30 times the federal or state minimum wage (\$15/hour for large employers in NYC, less for small employers and other locations). In addition, state does not allow garnishment of the wages of a person who receives public assistance, or would be qualified to receive public assistance if the amount of the garnishment were deducted from their earnings.	C
A home worth ...	\$170,825 for the 10 most populous counties, less for other counties; adjusted triennially for inflation.	N.Y. C.P.L.R. §§ 5206, 5253	This is 29% of the median home value in those counties.	D
A car worth ...	\$5,700 (adjusted triennially for inflation).	N.Y. C.P.L.R. §§ 5205(a) (8), (9), 5253	This combines an earmarked exemption of \$4,550 with a wildcard* of \$1,150 that is available to a debtor who does not use the homestead exemption.	C
A bank account worth ...	\$3,600	N.Y. C.P.L.R. § 5205(l)	A bank account containing 240 times the greater of the federal or state minimum wage is exempt. The minimum wage is \$15/hour for large employers in NYC, less for small employers and other locations.	A
Household goods worth ...	No dollar cap	N.Y. C.P.L.R. §§ 5205(a) (1) to (5), 5253	State protects an extensive list of goods, including all stoves, home heating equipment, furniture, and one refrigerator.	A

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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## NORTH CAROLINA C

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	All wages exempt.	N.C. Gen. Stat. § 1-362		A
A home worth ...	\$35,000 (\$60,000 for certain elderly surviving spouses)	N.C. Gen. Stat. § 1C-1601(a)(1), (e)	This is 28% of the median home value in the state.	F
A car worth ...	\$7,500	N.C. Gen. Stat. § 1C-1601(a)(2), (5)	This combines an earmarked exemption of \$3,500 with all but \$1,000 of a \$5,000 wildcard* that is available to a debtor who does not use the homestead exemption.	C
A bank account worth ...	\$1,000. Deposited wages also protected.	N.C. Gen. Stat. § 1C-1601(a)(2)	This makes use of the remaining \$1,000 of the wildcard.	C
Household goods worth ...	\$7,000	N.C. Gen. Stat. § 1C-1601(a)(4)	Earmarked exemption of \$5,000 plus two exemptions of \$1,000 (one for each of two dependent children).	D

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*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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## NORTH DAKOTA C

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$330	N.D. Cent. Code §32-09.1-03	State protects 75% of wages or 40 times the federal minimum wage, plus \$20 per dependent.	D
A home worth ...	\$100,000	N.D. Cent. Code § 47-18-01	This is 49% of the median home value in the state.	D
A car worth ...	\$15,000	N.D. Cent. Code §§ 28-22-03.1(1), (2), 28-22-05	This combines an earmarked exemption of \$2,950 with a \$7,500 wildcard* that is available to the head of a household and \$4,550 of a second wildcard of \$10,000 that is available for a debtor who does not use the homestead exemption.	A
A bank account worth ...	\$3,000	N.D. Cent. Code § 28-22-03.1(1)	This makes use of \$3,000 of the second wildcard.	A
Household goods worth ...	\$2,450	N.D. Cent. Code § 28-22-03.1(1)	This makes use of the remaining \$2,450 of the second wildcard.	D

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*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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## OHIO



**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Ohio Rev. Code Ann. § 2329.66 (A) (13)	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	\$145,425 (adjusted triennially for inflation)	Ohio Rev. Code Ann. § 2329.66	This is 93% of the median home value in the state.	B
A car worth ...	\$4,000 (adjusted triennially for inflation)	Ohio Rev. Code Ann. §§ 2329.66(A) (2), 2329.661(B)	Earmarked exemption.	D
A bank account worth ...	\$500 (adjusted triennially for inflation)	Ohio Rev. Code Ann. §§ 2329.66(A) (3), 2329.661(B)	Earmarked exemption.	D
Household goods worth ...	\$13,400 aggregate, \$625 per item (adjusted triennially for inflation)	Ohio Rev. Code Ann. §§ 2329.66(A) (4), 2329.661(B)	Earmarked exemption.	B

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*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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## OKLAHOMA B

### A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Okla. Stat. Ann., tit. 12, § 1171.1; tit. 31 §§ 1(18), 1.1	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage, but judge can protect more in case of hardship.	D
A home worth ...	No dollar cap, except that urban homestead is capped at \$5,000 if less than 75% of parcel is used as principal residence.	Okla. Stat. Ann. tit. 31, §§ 1, 2	Limit on number of acres, but no dollar cap.	A
A car worth ...	\$7,500	Okla. Stat. Ann. tit. 31, § 1(13)	Earmarked exemption.	C
A bank account worth ...	None, but deposited wages remain exempt.	Okla. Stat. Ann. tit. 31, § 1(18)		C
Household goods worth ...	No dollar cap	Okla. Stat. Ann. tit. 31, § 1(3), (6)	All household furniture, including a personal computer.	A

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# OREGON



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$254.00	Or. Rev. Stat. § 18.385	State protects the greater of 75% of wages or \$254/wk.	D
A home worth ...	\$40,000 (joint debtors \$50,000)	Or. Rev. Stat. § 18.395	This is 12% of the median home value in the state.	F
A car worth ...	\$3,000	Or. Rev. Stat. § 18.345(1)(a)	Earmarked exemption.	D
A bank account worth ...	\$400. In addition, wages remain exempt in bank account, up to \$7,500, if traceable.	Or. Rev. Stat. §§ 18.345(1)(p), 18.348	No earmarked exemption, but \$400 wildcard* may be used for bank account, and deposited wages remain exempt.	C
Household goods worth ...	\$3,000	Or. Rev. Stat. § 18.345(1)(f)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# PENNSYLVANIA **D**

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	All wages exempt for most debts	42 Pa. Cons. Stat. Ann. § 8127		A
A home worth ...	\$300	42 Pa. Cons. Stat. Ann. § 8123	A \$300 wildcard* can be applied to home, representing 0.2% of the median home value in the state.	F
A car worth ...	\$300	42 Pa. Cons. Stat. Ann. § 8123	The only exemption available for a car is the \$300 wildcard.	F
A bank account worth ...	No protection	42 Pa. Cons. Stat. Ann. § 8123	If the wildcard is used to protect a \$300 car, nothing will be left to protect a bank account.	F
Household goods worth ...	No protection	42 Pa. Cons. Stat. Ann. § 8123	If the wildcard is used to protect a \$300 car, nothing will be left to protect household goods.	F

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*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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## PUERTO RICO B

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	P.R. Laws Ann. tit. 32, § 1130	Puerto Rico protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	No dollar cap	P.R. Laws Ann. tit. 31, § 1858		A
A car worth ...	No cap if tool of trade, but otherwise non-exempt.	P.R. Laws Ann. tit. 32, § 1130(4)(a)		A
A bank account worth ...	None, but deposited wages may be protected.	P.R. Laws Ann. tit. 32, § 1130(7)	Statute protects 75% of the debtor's wages earned within past 30 days if debtor submits affidavit showing that the wages are necessary for the use of the debtor's dependent family.	C
Household goods worth ...	No dollar cap	P.R. Laws Ann. tit. 32, § 1130(2), (14)	Necessary household furniture, plus capped earmarked exemptions for certain appliances.	A

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## RHODE ISLAND

A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	R.I. Gen. Laws § 9-26-4	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage, but also prohibits garnishment for one year after receipt of public assistance.	D
A home worth ...	\$500,000 (significant exceptions)	R.I. Gen. Laws § 9-26-4.1	This is more than 100% of the median home value in the state.	A
A car worth ...	\$12,000	R.I. Gen. Laws § 9-26-4(13)	Earmarked exemption.	B
A bank account worth ...	No protection			F
Household goods worth ...	\$9,600	R.I. Gen. Laws § 9-26-4(3)	Earmarked exemption.	C

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## SOUTH CAROLINA B

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	All wages exempt	S.C Code Ann. §§ 15-39-410, 15-39-420		A
A home worth ...	\$63,250 (multiple owners \$126,500; updated biennially for inflation)	S.C. Code Ann. § 15-41-30(A)(1), (B)	This is 35% of the median home value in the state.	D
A car worth ...	\$12,650	S.C. Code Ann. § 15-41-30(A)(2), (7)	This combines a \$6,325 earmarked exemption with a \$6,325 wildcard* exemption that is available to the extent that the debtor does not use the homestead exemption or certain other exemptions.	B
A bank account worth ...	\$6,325	S.C. Code Ann. § 15-41-30(A)(5)	This makes use of a \$6,325 exemption for cash or liquid assets that is available to a debtor who does not use the homestead exemption.	A
Household goods worth ...	\$5,050	S.C. Code Ann. § 15-41-30(A)(3)	Earmarked exemption.	D

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## SOUTH DAKOTA C

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$422	S.D. Codified Laws § 21-18-51	State protects 80% of wages, or 40 times the federal or state minimum wage (\$9.30/hour), plus \$25 per dependent.	C
A home worth ...	No dollar cap	S.D. Codified Laws §§ 43-31-1 to 43-31-4	Limit on number of acres but no dollar cap.	A
A car worth ...	\$6,000	S.D. Codified Laws § 43-45-4	The only exemption available for a car is a \$7,000 wildcard* that is available to the head of a family. This uses all but \$1,000 of the wildcard.	C
A bank account worth ...	\$1,000	S.D. Codified Laws § 43-45-4	This uses the remainder of the wildcard.	C
Household goods worth ...	No protection		If the wildcard is used to protect a \$6,000 car and \$1,000 in a bank account, nothing will be left to protect household goods.	F

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*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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## TENNESSEE



**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$222.50	Tenn. Code Ann. §§ 26-2-106, 26-2-107	State protects 75% of wages or 30 times the federal minimum wage, plus \$2.50 per week for each dependent child under age 16.	D
A home worth ...	\$25,000 if supporting minor child, or if both owners over age 62.	Tenn. Code Ann. § 26-2-301	This is 13% of the median home value in the state.	F
A car worth ...	\$9,000	Tenn. Code Ann. § 26-2-103	The only exemption available for a car is a \$10,000 wildcard.* This uses all but \$1,000 of the wildcard.	C
A bank account worth ...	\$1,000	Tenn. Code Ann. § 26-2-103	This uses the remainder of the wildcard.	C
Household goods worth ...	No protection		If the wildcard is used to protect a \$9,000 car and \$1,000 in a bank account, nothing will be left to protect household goods.	F

*\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.*

*This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.*

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# TEXAS

# B

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	All wages exempt	Tex. Prop. Code Ann. § 42.001		A
A home worth ...	No dollar cap	Tex. Const. art. 16, § 50; Tex. Prop. Code § 41.002	Limit on number of acres but no dollar cap	A
A car worth ...	\$15,000	Tex. Prop. Code Ann. §§ 42.001, 42.002	A wildcard* of \$100,000 for a family (\$50,000 for a single adult) is available. This uses \$15,000 of the wildcard.	A
A bank account worth ...	No protection		No earmarked exemption. The wildcard applies only to personal property and cannot be used to protect a bank account.	F
Household goods worth ...	\$85,000	Tex. Prop. Code Ann. §§ 42.001, 42.002	This uses the remaining \$85,000 of the wildcard.	B

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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## UTAH



### A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Utah Code Ann. § 70C-7-103(2)	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	\$42,700. (multiple owners, \$84,000; to be updated for inflation annually, starting on 12/31/2019).	Utah Code Ann. § 78B-5-503.	This is 13% of the median home value in the state.	F
A car worth ...	\$3,000	Utah Code Ann. § 78B-5-506(3)	Earmarked exemption.	D
A bank account worth ...	No protection			F
Household goods worth ...	\$4,000	Utah Code Ann. §§ 78B-5-505, 78B-5-506	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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## VERMONT



### A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$290	Vt. Stat. Ann. tit. 12, § 3170	If debt arose from a consumer credit transaction, state protects 85% of wages or 40 times the federal minimum wage. More is protected if debtor shows need.	D
A home worth ...	\$125,000	Vt. Stat. Ann. tit. 27, § 101	This is 54% of the median home value in the state.	C
A car worth ...	\$9,900	Vt. Stat. Ann. tit. 12, § 2740(1), (7)	This combines an earmarked exemption of \$2,500 with a \$400 wildcard* and a second wildcard of up to \$7,000 that is available to the extent that the debtor does not use the exemptions for tools of the trade, growing crops, and certain others.	C
A bank account worth ...	\$700		Earmarked exemption.	D
Household goods worth ...	\$2,500	Vt. Stat. Ann. tit. 12, § 2740(8) to (14)	Earmarked exemption.	D

\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.

This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

Source: ©2020, National Consumer Law Center, *No Fresh Start 2020: Will States Let Debt Collectors Push Families Into Poverty in the Wake of A Pandemic?*

## VIRGIN ISLANDS

A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$261	V.I. Code Ann. tit. 5, § 522	The jurisdiction protects 90% of wages.	D
A home worth ...	\$300,000	V.I. Code Ann. tit. 5, § 478	This is 88% of the median home value in the state.	B
A car worth ...	No protection			F
A bank account worth ...	No protection			F
Household goods worth ...	\$3,000 (if debtor is head of household)	V.I. Code Ann. tit. 5, § 479(3)	Earmarked exemption.	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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# VIRGINIA



## A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$344	Va. Code Ann. §§ 34-29(a), 34-4.2	State protects 75% of wages or 40 times the federal minimum wage. If household income does not exceed \$1,750/month, the state provides an additional exemption of \$34/week for one dependent child, \$52/week for two, and \$66/week for three or more.	D
A home worth ...	Earmarked exemption of \$25,000, plus a wildcard consisting of \$5,000 plus \$500 per dependent (additional amounts for elders and certain disabled veterans)	Va. Code Ann. §§ 34-4, 34-4.1	This is 11% of the median home value in the state.	F
A car worth ...	\$11,000	Va. Code Ann. §34-4	This combines an earmarked exemption of \$6,000 with all but \$1,000 of a wildcard* consisting of \$5,000 plus \$500 per dependent.	B
A bank account worth ...	\$1,000	Va. Code Ann. § 34-4	This makes use of the remaining \$1,000 of the wildcard.	C
Household goods worth ...	\$5,000	Va. Code Ann. § 34-26(4a)	Earmarked exemption	D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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## WASHINGTON C

**A person who is supporting two children and working full-time at minimum wage can preserve ...**

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$472.50	Wash. Rev. Code § 6.27.150	For consumer debts, the state protects 80% of disposable earnings or 35 times the state minimum wage (\$13.50/hour); otherwise, 75% of wages or 35 times state minimum wage.	C
A home worth ...	\$125,000	Wash. Rev. Code §§ 6.13.010, 6.13.030	This is 32% of the median home value in the state.	D
A car worth ...	\$5,250	Wash. Rev. Code § 6.15.010(1)(d)(ii), (iii)	This combines a \$3,250 earmarked exemption with \$2,000 of a \$3,000 wildcard*	C
A bank account worth ...	\$1,000	Wash. Rev. Code § 6.15.010(1)(d)(ii)	This makes use of the remaining \$1,000 of the wildcard. (The statute allows up to \$2,000 of the wildcard to be applied to a bank account in the case of consumer debts).	C
Household goods worth ...	\$6,500 aggregate. \$750/item	Wash. Rev. Code § 6.15.010(1)(d)(i)		D

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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## WEST VIRGINIA

A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$362.50	W.Va. Code § 38-5A-3	State protects 80% of wages or 50 times the federal minimum wage. More can be exempted upon showing of hardship if debt arises from consumer credit sale, consumer lease, or consumer loan.	C
A home worth ...	\$5,000 for parent or married person (\$7,500 for certain medical debts)	W.Va. Code §§ 38-9-1 to 38-9-3	This is 4% of the median home value in the state.	F
A car worth ...	\$6,000	W.Va. Code §§ 38-8-1(a)(1), (b)	This combines an earmarked exemption of \$5,000 with a wildcard* of \$1,000 that is available to the head of a household.	C
A bank account worth ...	\$1,100	W.Va. Code § 38-8-1(4)	Earmarked exemption.	C
Household goods worth ...	\$8,000	W.Va. Code § 38-8-1(a)(2)	Earmarked exemption.	C

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This summary and those for other jurisdictions are based on state exemption laws, other than those that apply only in bankruptcy court. It assumes that, if the state allows a "wildcard" exemption, the debtor will use it, or most of it, first to protect a car up to \$15,000, then to protect a bank account up to \$3,000, and then any remainder to protect household goods. As of 2019, the federal minimum wage is \$7.25 an hour.

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## WISCONSIN



A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$503.85	Wis. Stat. §§ 812.34, 812.38	The federal poverty amount, based on family size, is exempt. Garnishment can also be reduced in case of hardship.	B
A home worth ...	\$75,000	Wis. Stat. § 815.20	This is 38% of the median home value in the state.	D
A car worth ...	\$4,000	Wis. Stat. § 815.18(3)(g)	Earmarked exemption.	D
A bank account worth ...	\$5,000	Wis. Stat. § 815.18(3)(k)	Earmarked exemption.	A
Household goods worth ...	\$12,000	Wis. Stat. § 815.18(3)(d)	Earmarked exemption.	B

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## WYOMING



### A person who is supporting two children and working full-time at minimum wage can preserve ...

	AMOUNT	CITATION	DETAILS	GRADE
Weekly wages of ...	\$217.50	Wyo. Stat. Ann. §§ 1-15-408, 1-15-511	State protects just the federal minimum, 75% of wages or 30 times the federal minimum wage.	F
A home worth ...	\$20,000	Wyo. Stat. Ann. §§ 1-20-101 to 1-20-104	This is 9% of the median home value in the state.	F
A car worth ...	\$5,000	Wyo. Stat. Ann. § 1-20-106(a)(iv)	Earmarked exemption	C
A bank account worth ...	No protection			F
Household goods worth ...	\$4,000	Wyo. Stat. Ann. §§ 1-20-106(a)(iii)	Earmarked exemption	D

*\*A "wildcard" is an exemption that is not limited to a particular category of property, but can be used to protect items of the debtor's choice.*

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