

Advocates Applaud Maine Legislature's Passage of Bill to Protect Basic Necessities from Garnishment by Debt Collectors

Consumer advocates applaud the passage of LD 737, An Act To Increase the Value of Property Exempt from Attachment and Execution. The bill expands minimum protections of basic needs from garnishment by debt collectors. In addition to expanding protections for family homes and vehicles, the bill provides protection for up to \$3,000 in consumers' bank accounts.

"These protections will allow many Maine consumers to stay in their homes, retain their cars to get to work and school, and maintain a small financial cushion in a bank account for inevitable emergencies," **said Andrea Bopp Stark, staff attorney at the National Consumer Law Center.** "The new law also protects the advanced payments of the child tax credit that so many Maine families desperately need."

With many provisions of the Maine exempt property law not having been updated since the 1980s, this new law will provide much-needed protection for Maine consumers, especially those hardest hit by the pandemic. Updated protections include:

- **Increased Protection of Wages:** Increased from \$290/week to \$500/week
- **Increased Protection for Family Home:** Increased from \$95K to \$160K
- **Increased Protection for Family Car:** \$7.5K to \$10K
- **Bank Account Protection:** From no protection to \$3k
- **Child Tax Credit Protection:** Any child tax credit is protected from attachment, which includes advanced disbursement of 2021 child tax credit payments sent after the effective date in late September.
- **Future Proofing:** Every three years the exemptions will be adjusted based on the Consumer Price Index.

Efforts to ensure the bill increased protections for Maine consumers were led by Maine Equal Justice Partners along with Pine Tree Legal Assistance, Legal Services for the Elderly, the National Consumer Law Center, and private bankruptcy attorneys.