



# Debt Collection Fact Sheet

From the Office of Minnesota Attorney General Lori Swanson

## How can a debt collector contact you?

- Collectors may contact you by mail, telephone, telegram, or fax between the hours of 8 a.m. and 9 p.m.
- Collectors may not contact you at work if they have reason to know your employer prohibits such communications.
- Collectors may contact other people to find out your home address and phone number, or your work location, but they cannot say that you owe money or, unless asked, that they work for a collection agency. Collectors may not tell others that you owe a debt.
- If you have a lawyer, collectors may not contact anyone but your lawyer.

## What rights do you have regarding debt collection?

- You can stop collectors from calling or writing to you by sending them a letter asking them to stop. Once they get your letter, they can only contact you to tell you that they are stopping their collection efforts or tell you what legal remedies they intend to pursue. Remember that this does not give you the right to ignore court papers.
- You can dispute that you owe all or part of a debt or ask for the name and address of the creditor (the person you allegedly owe). To do so, you must write to the collector within 30 days after you receive an initial letter or call about the debt. If you do this, collectors must stop trying to collect until they send you proof that you owe the debt.

## What debt collection practices are prohibited?

**Harassment and Abuse.** Collectors cannot harass, oppress, or abuse you or any other person they contact. Specifically, they cannot swear at you, threaten harm to you, call you repeatedly in an attempt to annoy you, call you without disclosing their identity, or publicize your name as someone who refuses to pay debts.

**Misleading Statements.** Collectors cannot use any false, deceptive, or misleading statements when trying to collect a debt. Specifically, they cannot misrepresent the amount you owe, make a letter look as though it is from the government or a court, imply that they are government representatives, imply that nonpayment will lead to your arrest or garnishment of your wages or property, or threaten to disclose false information about you to a credit bureau.

**Unfair Practices.** Collectors may not use unfair or unconscionable means to collect a debt. Specifically, they cannot collect any amount greater than your debt, deposit a post-dated check prematurely, deceive you into paying for collect calls, threaten to take your property unless they can legally do so, contact you by postcard, or apply your payment to a debt other than the one you have indicated.

## How can a creditor garnish your wages or bank account?

**Starting the Garnishment Process.** If you don't pay a bill, creditors can garnish your wages by suing you, then garnishing your wages or bank accounts based either on the judgment they get in court or on the default judgment they could get if you do not respond to the lawsuit. Thus, if you get a "complaint" (the document that begins a lawsuit), you should contact a lawyer to help you respond to the allegations. If you negotiate a payment plan with the creditor, be sure to put it in writing.

**Protections from Garnishment.** Generally, creditors cannot garnish more than 25 percent of your net wages. Creditors also cannot take any of your wages for six (6) months after you have received public assistance based on need. This includes, but is not limited to, the Minnesota Family Investment Program (MFIP), Diversionary Work Program, General Assistance (GA), Emergency Assistance (EA), Medical Assistance (MA), Emergency General Assistance (EGA), Minnesota Supplemental Aid (MSA), Food Support, Supplemental Security Income (SSI), MinnesotaCare, Medicare Part B premium payments, Medicare Part D extra help, and energy or fuel assistance. (If you deposit your public assistance in a bank account, creditors cannot garnish your account for 60 days.) Finally, creditors cannot take your home, or a car, furniture, employee benefits, or insurance proceeds up to certain values.

**Claiming an “Exemption.”** If you received public assistance, you may claim that your wages are “exempt” from garnishment by promptly returning to the creditor the “Garnishment Exemption Notice and Notice of Intent to Garnish Earnings,” which is a form the creditor must send to you at least 10 days before serving a garnishment summons on your employer. To claim that funds in your bank account are “exempt,” you should sign and return within 14 days to the bank (and the creditor’s attorney) the “Exemption Form,” which is a form the bank sends to you when they receive a garnishment summons from the creditor to freeze money in your account.

**Length and Amount of Garnishment.** If you don’t claim any exemptions, creditors can take part of your paycheck for the next 70 days. Unless the garnishment is for child support, you get to keep either 75 percent of your net wages or 40 times the federal minimum wage, whichever is greater.

## How can I report a violation of law?

Write or call the Minnesota Attorney General’s Office or the Minnesota Department of Commerce at:

### Office of Minnesota Attorney General

**Lori Swanson**

445 Minnesota Street, Suite 1400

St. Paul, MN 55101

(651) 296-3353 (Twin Cities Calling Area)

(800) 657-3787 (Outside the Twin Cities)

TTY: (651) 297-7206 or (800) 366-4812

[www.ag.state.mn.us](http://www.ag.state.mn.us)

### Minnesota Department of Commerce

85 7th Place East, Suite 280

St. Paul, MN 55101

(651) 539-1500

[www.commerce.state.mn.us](http://www.commerce.state.mn.us)

