

# QUICK FACTS on Debt Collection, Judgments, Garnishment, & Repossession

**Collectors** are contacting to you, typically by phone, to recover money that is owed.

- Collectors can charge a late fee, report to credit bureaus, call you, send you a letter, sue you, and repossess items you borrowed on.



A **judgment** is a court decision mandating payment of debt or requiring surrender of property.

- A creditor must have it to legally garnish or repossess (except for vehicles).

A **garnishment** is when a court judgment takes money belonging to you from a pay check or bank account.

- Creditor files a request for garnishment with the court.
- A notice is issued to the employer and/or bank.
- No more than 20% of your earnings may be garnished.
- Your earnings may be exempt if your income is below the federal poverty level, you receive public benefits, or at least 25% of your earnings are for child support payments.

A **repossession** happens when you fall behind on payments, such as a car loan or a rent-to-own purchase, and the creditor repossesses the assets.

- Before a repossession a “Notice of Right to Cure Default” is sent to you listing the amount due.
- You have 15 days to pay the debt or a legal action may begin.
- Repossession of a vehicle does not require a court judgment unless you object within 15 days.
- You may owe any remaining loan balance.

## Legal Help

If you are having trouble with debt collectors, utility shut-offs, payday or car title loans, mortgage foreclosure or are thinking about bankruptcy – Help is available.

- Legal Action of Wisconsin provides free legal assistance to low-income individuals in 39 southern Wisconsin counties (Migrant Farmworker Project is statewide). Find contact information for 6 offices in Southern Wisconsin. Check out the “consumer library” for information on legal issues. Website: [www.badgerlaw.net](http://www.badgerlaw.net)
- For low-income households with a civil legal problem who live in northern Wisconsin, contact Wisconsin Judicare: 1-800-472-1638 or [www.judicare.org](http://www.judicare.org).