



NEW YORK STATE SENATOR

Kevin Thomas

## Senate Passes Legislation to Prevent Debt Collectors From Seizing Stimulus Checks From Vulnerable Families

KEVIN THOMAS April 28, 2021

| ISSUE: [COVID-19 RELIEF](#), [COVID-19 STIMULUS CHECKS](#)

**SENATE PASSES LEGISLATION TO  
PREVENT DEBT COLLECTORS  
FROM SEIZING  
STIMULUS CHECKS FROM  
VULNERABLE FAMILIES**



(Albany, NY) - Senator Kevin Thomas today announced the Senate has passed legislation that would exempt COVID-19 stimulus relief for individuals and families with children from seizure to satisfy money judgments (S5923A, Thomas).

The federal laws that authorized stimulus relief payments did not consistently include explicit language to protect the third round of economic impact payments from assignment

and garnishment. The legislation passed today exempt COVID-19 stimulus relief for individuals and families with children from seizure to satisfy judgments, from set-off, or from transfer or assignment, to ensure such funds are used to assist families and stimulate the economy.

Under current state and federal law, certain funds of an individual are considered exempt and therefore cannot be taken from an individual's bank account to pay a judgment. Examples of exempt funds include, but are not limited to, social security, social security disability, public assistance, veterans' benefits, unemployment insurance and child support.

**Senator Kevin Thomas** said, "Federal relief payments were intended as a lifeline to help families that are struggling to make ends meet during these exceptionally challenging times. Allowing these funds to be seized by debt collectors deprives families of the ability to provide for their children and cover immediate bills like rent, food, and utilities. This legislation ensures families are able to use this safety-net funding as it was originally intended."

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#### RELATED LEGISLATION

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### **2021-S5923A**

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- Introduced
- - In Committee Assembly
  - In Committee Senate

- ○ On Floor Calendar Assembly
  - On Floor Calendar Senate

- ○ Passed Assembly
  - Passed Senate

- Delivered to Governor

- Signed By Governor

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Exempts COVID-19 stimulus relief for individuals and families with children from money judgments

March 23, 2021

Senate Floor Calendar

Sponsored by **Kevin Thomas**

Do you support this bill?