

Automatically protect a minimum amount of funds & identifiable public benefits in a garnished bank account.

SUPPORT: HB 601 (Del. Hernandez) / SB 301 (Sen. VanValkenburg)

Virginia has long recognized the need to shield its residents from excessive debt collection, providing numerous exemptions that respect the basic dignity of all people and acknowledge their need to retain access to certain items and funds to meet their basic needs for food, shelter, medical care, and transportation to work.¹

For too long, however, Virginians have inadvertently waived and lost those exemptions—and those granted by federal law—because they didn’t know how to claim them in court or lacked the bandwidth or access to an attorney to help them navigate the legal process.

Key provisions

- **Establishes a “minimum protected account balance” of \$1,000.** This bill ensures that people will have access to the first \$1,000 in their bank account if that account is garnished. They will not have to go to court or need to seek an attorney’s counsel or assistance to obtain this essential level of protection.
- **Requires banks to review garnished accounts and protect certain federal and state benefits** (if identifiable as such) from being seized. The bill codifies the federal Treasury rule and gives similar treatment to covered state benefits.
- **Allows people to go to court to claim any additional exemptions** that are not yet automatic. Any person who has the time and ability to go through the court process can still claim additional exemptions (for wages, funds to pay child support, and a host of other reasons) if needed.

Why this matters for Virginians

Automatic (or “self-executing”) protection ensures that no one is left penniless if their bank account is garnished by a creditor who seeks to collect old debt.² Thirteen states, including Maryland and Ohio, have automatic bank account protections or prohibit bank account garnishment altogether.³ It is time for Virginia to follow their lead and adopt this best practice.

For more information, contact: Jay Speer • jay@vplc.org • (804) 351-5268

¹ See, e.g., Title 34 of the Code of Virginia (“Homestead and Other Exemptions”) and the General District Court form for claiming exemptions under state and federal law, available at <https://www.vacourts.gov/static/forms/district/dc454.pdf>.

² Michael Best & Carolyn Carter, *No Fresh Start: Will States Protect Families from Wage and Asset Seizures as Debt Levels Soar?* (Dec. 2025), <https://www.nclc.org/resources/no-fresh-start/>, p. 32-33.

³ *Id.* at 33 (identifying states that ban bank account garnishment or automatically protect funds: CA, CT, DE, MD, MA, NV, NM, NY, OH, OR, PA, WA, and WI).



Nearly **16,000 bank garnishments** were filed each year between 2019-2023. In Virginia, **creditors can wipe bank accounts to \$0.**

13 states automatically protect money in consumer's bank account from garnishment, HB 601 would protect **\$1,000.**

State	Amount Automatically Protected
DE	All the money in a consumer's bank account
WI	\$5,000
NY	\$3,840 (tied to state minimum wage)
MA, OR	\$2,500
NM	\$2,400
CA	\$2,244 (adjusted annually)
WA	\$2,000
CT	\$1000
VA (under HB 601)	\$1,000
OH	\$625 (adjusted for inflation)
MD	\$500
NV	\$400
PA	\$300

Virginia's **documentation requirements are among the weakest nationally.** Under **HB 444**, consumers will better understand their debts, making them more likely to show up to court and **improve outcomes for all parties**

Thousands **Sued** for Debt in Virginia

Consumer debt filings dominate civil dockets

191,678

lawsuits filed statewide in 2024



Consumer debt made up **48%** of the general district court civil docket

1.4 million

Virginians are at risk of a court interaction over debt

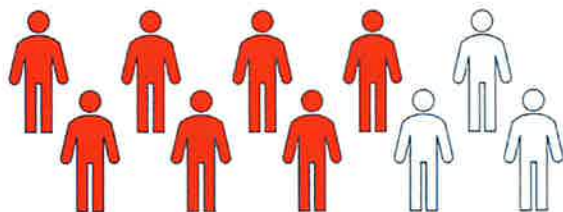


In Virginia, **< 1.3%** of people sued are **represented** by an attorney

Half of all judgments are

< \$2,068

Court costs & attorney fees increase the principal amount by hundreds



In Virginia, up to **71%** of people **lose their consumer debt case**



In Virginia counties, **just 10 companies** filed

50%

of cases in 2024