
In Debt?

Your Income May Be Protected

Community Legal Education Class

Attendee Manual



Purpose of the Class

- To give you a better understanding of what it means to be collection proof.
- To help you understand the legal process.
- To help you understand your rights.

What Does It Mean To Be Collection Proof?

Being collection proof means that a creditor has no legal way to collect a debt or judgment that you may owe. A creditor can still sue you and obtain a judgment against you, but the creditor cannot take any of your income or assets if you are collection proof.

Commonly Used Terms

- Original Creditor – The entity that issued you credit or to which you originally owed money. 15 USC §1692a(4).
- Debt Collector – An entity that collects debt on behalf of another. 15 USC §1692a(6).
- Debt Buyer – An entity that buys “bad” (defaulted) debt. 15 USC §1692a(6)(F)(iii).
- Exempt Income – Income that is protected, but you must take affirmative action to get it back after garnishment/attachment. NRS 21.080 – 21.105
- Automatically Protected Income - Federal benefits (e.g., Social Security) up to two months or \$2,000 (whichever is more) of which

will not be taken if certain requirements are met (e.g., direct deposited, no comingling of funds, no transfer between bank accounts). 31 CFR § 212.3 (lookback period), 31 CFR § 212.5(f), and NRS 21.105(1).

GENERAL TIPS

Statute of Limitations

- The “statute of limitations” is the last day someone can file a lawsuit against you.
- In Nevada –
 - written contracts have a 6 year statute of limitations (NRS 11.190(1));
 - oral contracts have a 4 year statute of limitations NRS 11.190(2)); and
 - auto deficiency debt has a 4 year statute of limitations. NRS 104.2725
- The date used to calculate the statute of limitation is either the date of the last transaction or the date of the last payment, whichever is later. NRS 11.200.

Know Your Credit Report

- There are three credit reporting agencies: Equifax, Experian, and Transunion
- Services, such as Credit Karma, might be informative but they are not considered accurate for official purposes.

- For your free credit report – from all three Credit Reporting Agencies – you can:
 - Go to www.annualcreditreport.com (be aware of the arbitration clause);
 - call 1-877-322-8228; or
 - fill out and mail in the form on page 5.
- If an entity is asking you to put in your credit card information prior to obtaining your credit report, the report is not free.

Credit Reports

- Even if you are collection proof, your creditors can still make “negative” posts on your credit report, thereby lowering your credit score.
- “Negative” posts on your credit report generally remain on your credit for 7 years from the first delinquent report.
- Bankruptcy
 - Chapter 7 – 10 years from the date of filing.
 - Chapter 13 – 7 years from the date of filing.

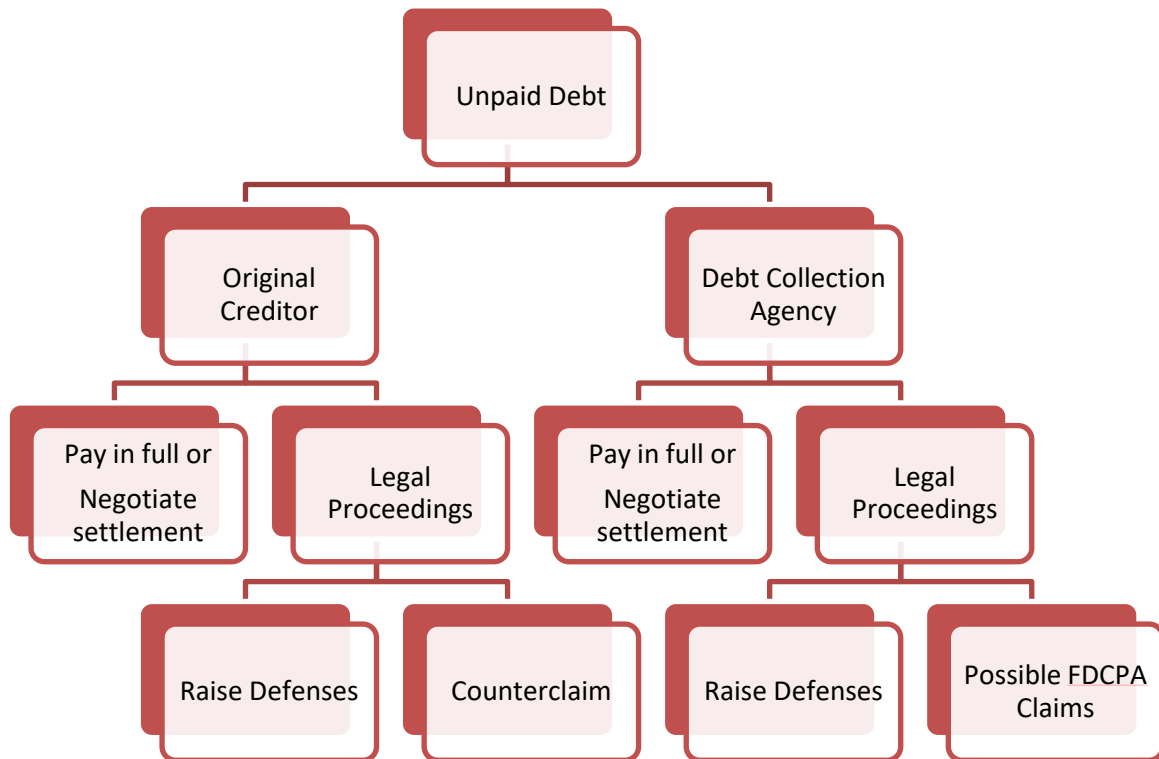


Page

General Tips for Dealing with Debt

- Get it in writing
 - The only way to prove something happened is to have it documented (letters, voicemails, e-mails, etc.,).
- If you are sending a letter, make a copy of the signed letter and the envelope.
- When mailing a letter try and send it certified, return receipt requested.
 - If that is too expensive, try to at least send it certified, but always keep the copy of the signed letter and the envelope.
- Save all documents including letters and receipts.
- The first communication from a debt collector is the most important under the federal Fair Debt Collection Practices Act.
- If you cannot afford to pay, do not re-start your statute of limitations by making even a nominal payment. See NRS 11.200.

The Collection Process



What Are Your Options?

- Do nothing (NOT RECOMMENDED)
 - The amount of the debt will increase; and
 - Your credit report will be adversely affected.
- Ask creditor to leave you alone – Possibly the same results as doing nothing, but may stop phone calls.
- Negotiate a settlement – ***Get it in writing! Make sure the balance is being forgiven and not being sold to a third party.***
- Dispute or defend against the debt – including bringing possible counterclaims.
- File for Bankruptcy and rebuild your credit over a number of years.

You Should Always. . .

- Be aware of your financial situation
 - Know the source of your income (e.g., wages, social security, child support, unemployment, etc.)
 - Know how much you make
 - Know all bank account(s) you may have
 - Review your credit report - having a judgment against you will affect your credit score
- Read your mail
 - Know what debts you have
 - Know what action (if any) your debtors are taking against you
 - Know who your creditors are: super vs. ordinary creditors (for purposes of this class only)
 - Super Creditors
 - IRS
 - Department of Education
 - Social Security Administration
 - Unpaid Child Support or Alimony

Government entities and child support/alimony are allowed to take a percentage of your exempt income or assets even if you are otherwise considered collection proof.

If your only income is social security, government entities can garnish

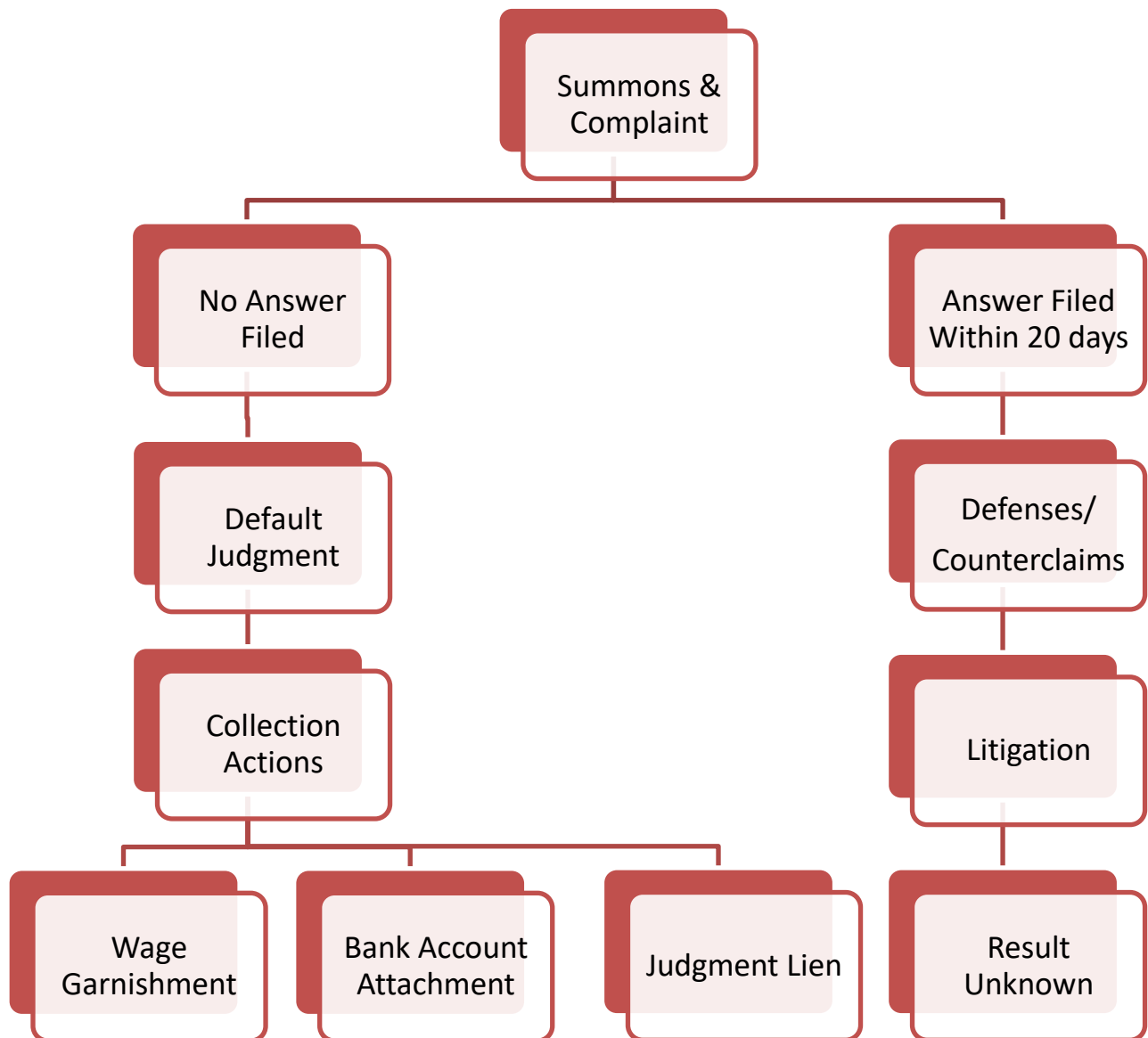
up to 15% of your social security (31 USC § 3720D). If the payment is for anything other than back taxes, you must be left with at least \$750.00 per month in social security benefits.

However, for unpaid child support or alimony, anywhere from 50 - 65% of your social security can be garnished, depending on your circumstances. 15 USC § 1673(b)(2).

Exceptions for SSI, which should not be garnished.

- Ordinary Creditors
 - Credit cards
 - Medical bills
 - Post Repossession Auto Deficiency
 - Foreclosure debt
 - Debts to landlords
 - Payday lenders
 - Any other consumer debt

Collection Lawsuit



From Service to Execution: The Anatomy of a Collection Lawsuit

- A debt collection lawsuit begins when a Plaintiff-creditor files a “Complaint” in court and then personally “serves” the Defendant-debtor with the “Summons and Complaint.”
- The Defendant-debtor must then file an “Answer” or be subject to a judgment by “Default.” See pages 19 (sample answer) and 65 (instructions).
- If the Defendant-debtor fails to file an “Answer” or fails to successfully defend the lawsuit after filing an “Answer,” the Defendant-debtor will have a “Default Judgment” taken against them.
- Plaintiff-creditor can use the “Judgment” to obtain a “Writ of Execution” or “Writ of Attachment,” that can be served on the Defendant-debtor’s employer, financial institution, or record a “judgment lien” on the debtor’s property, to execute on non-exempt personal property.

Sources of Confusion

- The first you learn that you have been sued is that your bank account has been attached.
- You are served with a lawsuit that has the name of a company that you have never heard of before.
- The amount that you are being sued for is not the same as the amount of your debt.

JUSTICE COURT, TOWNSHIP OF _____
CLARK COUNTY, NEVADA

Plaintiff's
Name: _____

Case No.: _____

Dept No.: _____

Plaintiff,

vs.

Defendant's
Name: _____

Defendant.

SUMMONS

NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU FILE A RESPONSE WITH THE COURT WITHIN 20 DAYS. READ THE INFORMATION BELOW CAREFULLY.

To the Defendant named above:

A civil complaint has been filed by the Plaintiff against you. Plaintiff is seeking to recover the relief requested in the complaint, which could include a money judgment against you or some other form of relief.

If you intend to defend this lawsuit, within 20 days¹ after this Summons is served on you (not counting the day of service), you must:

1. File with the Clerk of the Court, whose address is shown below, a formal written response (typically a legal document called an "answer," but potentially some other response) to Plaintiff's complaint.
2. Pay the required filing fee of \$71 to the court, or file an Application to Proceed *In Forma Pauperis* and request a waiver of the filing fee.
3. Serve (by mail or hand delivery) a copy of your response upon the Plaintiff whose name and address is shown below.

Information and forms to assist you are available, free of charge, at the Civil Law Self-Help Center at the Regional Justice Center, 200 Lewis Avenue, Las Vegas, Nevada, and on the center's website at www.civillawselfhelpcenter.org.

If you fail to respond, the Plaintiff can request your default. The court can then enter judgment against you for the relief demanded by the Plaintiff in the complaint, even though you have never

¹ The State of Nevada, its political subdivisions, agencies, officers, employees, board members, commission members, and legislators each have 45 days after service of this Summons within which to file a response to Plaintiff's complaint.

1 appeared in court. To enforce the judgment, the Plaintiff could take money or property from you or some
2 other relief awarded by the court.

3 If you intend to seek an attorney's advice, do it quickly so that your response can be filed on time.

4 *(This Summons must be signed by the Clerk of the Court.)*

5 **CLERK OF COURT,** _____

6
7 By: _____ *(Signature)*
8 Deputy Clerk Date:

9 *(Insert court name and address below:)*

10
11
12 Issued at the request of:

13 I declare under penalty of perjury under the law of the
14 State of Nevada that the foregoing is true and correct.

15 _____ *(Plaintiff's Signature)*
16 *(Insert Plaintiff's name, address, phone, and e-mail:)*

17 _____
18 Plaintiff, In Proper Person

19 **Note: When service is by publication, add a brief statement of the object of the action. See Justice**
20 **Court Rule of Civil Procedure 4(b).**

21
22
23
24
25
26 **APPROPRIATE COURTROOM ATTIRE AND SHOES ARE REQUIRED. NO**
27 **SHORTS, HALTER TOPS, TANK TOPS, FOOD, OR DRINK ARE PERMITTED.**
28

1 JUSTICE COURT, TOWNSHIP OF _____
2 CLARK COUNTY, NEVADA

3 CASE NO.: _____

4 PLAINTIFF'S NAME: _____

5 DEFENDANT'S NAME: _____

6 **DECLARATION OF SERVICE UNDER PENALTY OF PERJURY**

7 (Insert name of person performing service) _____, being duly
8 sworn or under penalty of perjury, states that at all times relevant, I was over 18 years of age and not a party to or
9 interested in the above-captioned case; that I served a copy of the ☐ Summons, ☐ Complaint, ☐ Other (specify)
10 _____ on Defendant (insert Defendant's name) _____
11 _____ on (insert date and time you served) _____, 20____,

12 at the hour of _____ M., by the following method (complete appropriate paragraph below):

13 ☐ **For personal service per JCRCP 4(d)(6):** Delivering and leaving a copy with (insert
14 Defendant's name) _____ at (insert address at
15 which you served) _____

16 ☐ **For substitute service per JCRCP 4(d)(6):** Delivering and leaving a copy with (insert name or
17 physical description of person served) _____, a person of suitable age
18 and discretion residing at Defendant's dwelling house or usual place of abode, at (insert Defendant's address) _____

19 ☐ **For service on a business entity per JCRCP 4(d)(1) or (2):** Delivering and leaving a copy with
20 (insert name or physical description of person served) _____,
21 who is Defendant's (check one) ☐ president or other head, ☐ secretary, ☐ cashier, ☐ managing agent, ☐ resident
22 agent, or ☒ other _____, at (insert address at which you served) _____

23 ☐ **Other method of service authorized by Nevada statute or court rule:** _____

24 **I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAW OF THE STATE OF NEVADA THAT**
25 **THE FOREGOING IS TRUE AND CORRECT.**

26 **SERVER'S SIGNATURE:** _____ **Date:** _____

27 Server's Phone: _____

28 Server's ☐ Residential/ ☐ Business Address: _____

☐ I am a licensed process server or an employee of a licensed process server; my license or registration number is
(insert license or registration number): _____.

☐ I am not required to be licensed under chapter 648 of the Nevada Revised Statutes or another provision of law
because am not engaged in the business of serving legal process within the State of Nevada.

1 COMP
Jane Doe, Esq.
2 Nevada Bar #
THE LAW FIRM
3 111 Las Vegas Blvd. So.
Las Vegas, NV 89111
4 (702) 111-1111
Attorney for Plaintiff DISCOVER BANK
5
6

7 JUSTICE COURT, LAS VEGAS TOWNSHIP
8 CLARK COUNTY, NEVADA

9 DISCOVER BANK,

10 Plaintiff,

11 vs.

12 JAMES SMITH, DOES I through X and ROE
13 CORPORATIONS I through X, inclusive,

14 Defendant.

Case No.: [INSERT CASE #]
Dept. No.: [INSERT DEPT. #]

15 COMPLAINT

16 Comes now, DISCOVER BANK, hereinafter ("Plaintiff"), by and through its attorney,
17 Jane Doe, Esq. of The Law Firm and alleges as follows:

- 18 1. That Plaintiff is duly qualified to do business in the State of Nevada.
- 19 2. That Plaintiff is informed and believes and thereupon alleges that JAMES
20 SMITH, hereinafter ("Defendant") is a resident of Las Vegas, County of Clark, State of Nevada.
- 21 3. That the true names and capacities, whether individual, corporate, associate or
22 otherwise of Defendant(s) named herein as John Does I through X, inclusive, are unknown to
23 Plaintiff who, therefore, sues said Defendant(s) by such fictitious names and Plaintiff will ask
24 leave to amend this Complaint to show their true names and capacities when the same have been
25

1 ascertained. Plaintiff believes that each Defendant named as DOE may have dominion and
2 control of the credit card account or may be responsible in some manner for the events herein
3 referred to and caused damages proximately thereby to Plaintiff as alleged herein.

4 FIRST CAUSE OF ACTION (BREACH OF CONTRACT)

5 4. That, at the request of the Defendant(s), Defendant(s) received a revolving credit
6 account/installment account/line of credit from Plaintiff, DISCOVER BANK, under Account
7 No. 1234567890.

8 5. That Defendant(s) is/are in default on payments under the terms of the above
9 described account. Although demand was made therefore, no part thereof has been paid by the
10 Defendant(s).

11 SECOND CAUSE OF ACTION (ACCOUNT STATED)

12 6. That Defendant(s) owes the sum of \$_____, plus pre and post judgment
13 interest accruing thereon according to the account stated between Plaintiff and Defendant from
14 the date of judgment.

15 WHEREFORE, Plaintiff, DISCOVER BANK, prays judgment against Defendant,
16 JAMES SMITH, as follows:

17 1. For Judgment in the sum of \$_____, plus pre and post
18 judgment interest;

19 2. For cost of suit incurred herein;

20 ///

21 ///

22 ///

23 ///

24 ///

3. For such other and further relief as to the Court may seem just and proper
in the premises

DATED this _____ day of _____, 20__.

THE LAW FIRM

_____(signature)

Jane Doe, Esq.
111 Las Vegas Blvd. So.
Las Vegas, NV 89111
(702) 111-1111
Attorney for Plaintiff DISCOVER BANK

The undersigned does hereby affirm
that this document does not contain the
social security number of any person.

Jane Doe, Esq.

1 [USE THE FOLLOWING ONLY IF APPROPRIATE FOR YOUR SERVICE OF YOUR TYPE
2 OF DOCUMENT.]

3 CERTIFICATE OF MAILING

4 I HEREBY CERTIFY that on the _____ day of _____, 20____,

5 I placed a true and correct copy of the foregoing [INSERT TITLE OF DOCUMENT] in the
6 United States Mail, with first-class postage prepaid, addressed to the following:

7 [INSERT THE NAME(S) AND ADDRESS(ES) OF THE
8 ATTORNEYS FOR EACH OF THE PARTIES IN THE CASE,
9 OR TO THE PARTIES DIRECTLY IF UNREPRESENTED]

10 DATED this _____ day of _____, 20____.

11 Pursuant to NRS 53.045, I declare under penalty of
12 perjury that the foregoing is true and correct.

13 _____ (signature)
14 [INSERT NAME]
15
16
17
18
19
20
21
22
23
24
25

1 ANS

2 (NAME)

3 (ADDRESS)

4 (CITY, STATE, ZIP)

5 (TELEPHONE)

Defendant *Pro Se*

6 JUSTICE COURT

7 CLARK COUNTY, NEVADA

8)
9 Plaintiff,

Case No.:

Dept. No.:

10 vs.

11)
12 Defendant.
13)

ANSWER
(debt or loan)

14 Defendant(s), _____, *Pro Se*, hereby submits this

15 Answer to the Complaint on file herein, and alleges and avers as follows:

16 1. Answering paragraph(s) _____

17 of Plaintiff's Complaint, Defendant(s) ADMITS each and every allegation contained therein.

18 2. Answering paragraph(s) _____

19 of Plaintiff's Complaint, Defendant(s) DENIES each and every allegation contained therein.

20 3. Answering paragraph(s) _____

21 of Plaintiff's Complaint, Defendant(s) state(s) that defendant(s)do(es) not have sufficient
22 knowledge or information upon which to base a belief as to the truth of the allegation contained
23 therein and therefore Defendant(s) DENIES each and every allegation contained therein.

24 4. Answering paragraph(s) _____ of the Plaintiff's
25 Complaint, Defendant(s) STATE(S) _____

AFFIRMATIVE DEFENSES

1. Defendant(s) hereby incorporate(s) by reference those affirmative defenses enumerated in JCRCP 8 as though fully set forth herein, as applicable upon discovery. In the event further investigation or discovery reveals the applicability of any such defenses, Defendant(s) reserve(s) the right to seek leave of court to amend this Answer to more specifically assert any such defense. Such defenses are herein incorporated by reference for the specific purposes of not waiving any such defenses.

_____. Accord and satisfaction.

_____. Arbitration and award.

_____. Assumption of risk.

_____. Contributory negligence.

_____. Discharge in bankruptcy.

_____. Duress.

_____. Estoppel.

_____. Failure of consideration.

_____. Fraud.

_____. Illegality.

_____. Injury by fellow servant.

_____. Laches.

_____. License.

_____. Payment.

_____. Release.

_____. Res judicata.

_____. Statute of frauds.

_____. Statute of limitations.

_____. Waiver.

///

///

ADDITIONAL POTENTIAL DEFENSES

1. _____. Failure to state a claim upon which relief can be granted.

2. _____. The amounts claimed in the Complaint violate the doctrine of unconscionability and should not be enforced. Johnson v. Cash Store, 68 P.3d 1099 (Wash. Ct. App. 2003); Pinkett v. Moolah Loan Co., 1999 U.S. Dist. LEXIS 172276, 1999 WL 1080596 (D. Ill., 1999).

3._____. The late charges sued upon, if any, when charged on top of exorbitant interest, are liquidated damages and void as a penalty under In re Bryant, 39 B.R. 313 (D. Nev. 1984); Golden v. McKim, 37 Nev. 205, 141 Pac. 676 (1914).

4. _____. Defendant may be entitled to a setoff and/or offset.

5. _____. The Plaintiff's claim is offset by statutory damages available to Defendant under the federal Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692, et seq., for Plaintiff's failure to provide Defendant with a written notice of and/or verification of the alleged debt that meets the requirements of 15 U.S.C. § 1692g.

6. _____. This debt was incurred prior to my active military duty, and under the Servicemembers Civil Relief Act, 50 U.S.C. § 501, interest on that debt must be reduced to 6% and any amount higher must be forgiven.

7. _____. Plaintiff is a purchaser of credit card debt, and the Complaint fails to contain the below checked information required by NRS Chapter 97A as amended by AB 472 (effective 7/1/09):

G The name of the issuer;

G The last four digits of the account number originally assigned by the issuer;

G All subsequent account numbers assigned to the credit card debt by all

assignees of the credit card debt; and

G The date of the default on the credit card debt.

8. _____

9. All possible affirmative defenses may not have been alleged herein insofar as sufficient facts were not available after reasonable inquiry upon filing of this Answer. Therefore Defendant(s) reserve(s) the right to amend this Answer to allege additional affirmative defenses and claims, counter-claims, cross-claims or third-party claims, as applicable, upon further investigation and discovery.

WHEREFORE, this Answering Defendant prays that this Honorable Court will:

1. Dismiss the Complaint with prejudice or grant Plaintiff a reduced amount based upon the admissions, denials and affirmative defenses, if any, as alleged above herein;

2. Award Defendant(s) costs; and

3. Award Defendant(s) such other relief as the Court deems just and equitable.

DATED this ____ day of _____, 20____,

Per NRS 53.045, I declare under penalty of Perjury that the foregoing is true and correct.

Defendant *Pro Se*

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on the _____ day of _____, 20____, I placed a true and correct copy of the foregoing **ANSWER** in the United States Mail at Las Vegas, Nevada, with first-class postage prepaid, addressed to the following:

Per NRS 53.045, I declare under penalty of Perjury that the foregoing is true and correct.

Defendant *Pro Se*

Judgments

- A creditor only receives a judgment AFTER they win in court.
- Judgments in Nevada are good for six years. NRS 11.190(1)(a).
- However, creditors can renew the judgment at the end of the six year period, and can do so every six years thereafter. NRS 17.214.
- Keep in mind that the judgment may have continued to accumulate interest during the time in which you are collection proof.

Am I Collection Proof?

- You are collection proof if:
 1. You earn less than \$362.50 per week (wages);
 2. Your income and assets are exempt; and
 3. You do not own anything of great value that you wish to sell or leave to your heirs.

Remember. . .

- Being collection proof is not necessarily permanent. You are collection proof as long as your financial condition stays the same or gets worse.
- If your financial condition improves, creditors that have judgments against you may be able to collect money and/or assets from you.
- If you are being harassed by a creditor, you may consider sending a letter advising the creditor that you are collection proof and requesting not to be contacted. (Page 24).

(YOUR NAME)

(STREET ADDRESS)

(CITY, STATE ZIP CODE)

(DATE)

(AGENCY OR ATTORNEY'S NAME)

(STREET ADDRESS)

(CITY, STATE ZIP CODE)

Re: _____

(CASE NUMBER OR ACCOUNT NUMBER)

To whom it may concern:

Please be advised that my only source of income is _____.

Pursuant to Nevada and/or federal law, this income is exempt from levy or garnishment.

Please be advised that my assets are exempt from collection pursuant to NRS 21.090.

My financial situation is not expected to improve, but if my circumstances change in the future I will notify you.

Additionally, I dispute the validity of this debt and refuse to pay it. Please cease communication with me and any third party regarding the above referenced account. This written dispute and request to cease communication is made pursuant to the Fair Debt Collection Practice Act, 15 U.S.C. §§ 1692g and 1692c(c).

Lastly, this letter is not meant in any way to be an acknowledgment that I owe this debt.

Sincerely,

(Your signature)

Sent via certified mail # _____

What Type of Income is Exempt?

Creditors cannot take certain kinds of income. This income is called exempt income. Examples of exempt income include:

- Wages NRS 21.090(1)(g)
 - Gross income
 - If your gross weekly income is \$770 or less then at least 82% of your disposable income is exempt.
 - If your disposable income is between \$362.50 and \$442.08 you can only be garnished the difference between your wages and \$362.50.
 - If your gross weekly income is more than \$770/week you will likely be garnished at the full 25%.
- \$400.00 (total) in bank account(s). NRS 21.105(2).
- Federal Benefits
 - Social Security, Supplemental Security Income, and Social Security Disability. NRS 21.090(1)(y);
 - Veteran's Benefits. 38 USC § 5301
- Retirement Pensions – up to \$1,000,000– until they are being drawn upon NRS 21.090(1)(r)
 - except for:
 - PERS – NRS 21.090(1)(ii); and
 - FERS – 5 USC § 8346.
- Welfare Benefits. NRS 21.090(1)(kk)
- Worker's Compensation. NRS 21.090(1)(i)
- Unemployment Benefits. NRS 21.090(1)(hh)
- Vocational Rehabilitation benefits. NRS 21.090(1)(jj)
- Child or Spousal Support NRS 21.090(1)(s) and NRS 21.090(1)(t)

Garnishment Calculation (Wages)

- Gross Income
 - Federal tax
 - Medicare
 - Social Security
 - = Disposable income
- If your gross weekly wage is more than \$770/week – multiply the disposable income by 25%.
- If your gross weekly wage is less than \$770/week – multiply the disposable income by 18%.
- Remember, your take home pay cannot be less than \$362.50 per week in wages (after required deductions and garnishment, not including things such as insurance and union dues).

Federal Benefits

- Up to two months of direct deposited federal benefits may be automatically protected. 31 C.F.R. 212.3.
 - Funds must be direct deposited by US Treasury. NRS 21.105(1).
 - Funds should not be co-mingled – unless the balance is less than \$2,000 total (for all accounts). *See* NRS 21.105(1).
 - Funds should not be moved between bank accounts.

- Once funds are moved, the automatic protection is lost.
 - The funds are still exempt, and tracing of funds is possible, but you will have to file a Claim of Exemption from Execution to get your money back. 31 C.F.R. 212.5(f).
- The bank must allow you to withdraw any money in your account that is automatically protected from attachment.
- If you have more money in your account than is automatically protected, the extra money is not automatically protected.
- For extra protection, use the Direct Express Debit Master Card, which cannot be garnished. *See* Pages 61-64 for more information.

However . . .

It is important to remember that you should not put exempt income in a bank account with money from other sources, such as income from a spouse's earnings. If exempt income is commingled with non-exempt income, it may lose its exempt or automatically protected status.

Also, when possible, have federal benefits direct deposited into your account.

Do not move exempt money between bank accounts. Tracing of funds is possible, but makes things much more complicated. Also, because the funds have moved, they are no longer "automatically protected."

Any funds more than two months old or exceeding \$2,000.00 can be garnished, but you can file a Claim of Exemption from Execution for the total amount, which is easier if funds were not co-mingled. (Page 31)

Some debts such as debts to the IRS, child support, federal student loans, and other debts owed to the federal government may be collected against most exempt income. (Super Creditors)

This is not a complete list of all sources of exempt income. You must consult with an attorney to determine if you receive any other sources of exempt income.

What Assets are Protected?

Creditors cannot take certain property related to basic needs. This property is called exempt property. Examples of exempt property are:

- A homesteaded house or mobile home. NRS 21.090(1)(m).
 - Up to \$605,000 of the home's value (even if you do not own the land).
 - A judgment lien can still be recorded, but a sale cannot be forced.
 - If the debt is a medical debt, NRS 21.095 states that the home and land is fully exempt if certain requirements are met.
 - Note: This exemption does not apply if the judgment was for the mortgage or is a mechanic's lien upon the property. NRS 21.090(2) and NRS 115.010(3).
- One vehicle, if your equity (the market value of the car minus how much is owed) is less than \$15,000, unless the lawsuit concerned the loan for the vehicle. NRS 21.090(1)(f).
- Personal property not to exceed \$10,000. NRS 21.090(1)(z).
- All money deposited with a landlord used to secure a rental or lease agreement. NRS 21.090(1)(n).

- A tax refund derived from the earned income tax credit. NRS 21.090(1)(aa).
- Life insurance proceeds. NRS 21.090(1)(k)
- Necessary household goods and yard equipment (maximum protection of \$12,000). NRS 21.090(1)(b).
- Tools of your trade, profession, or business, (maximum protection \$10,000). NRS 21.090(1)(d).

Many of these exemptions will not apply if you owe money to the federal government (IRS, Department of Education, Social Security Administration) or if you owe unpaid child support.

These exemptions will not keep creditors from recovering collateral on a loan, such as a house or a car. For example, the homestead and equity exemptions do not apply against the mortgage lender and will not prevent foreclosure by the lender. Also, if there is a mechanic's lien on your home or your vehicle, the entity can sell the property. If you are 30 days late on your car payment, the lender can repossess your vehicle.

****The attempt to sell an asset may waive the exemption.****

Just because you find your property listed as exempt, do not assume your property is safe. **YOU** must take action to prevent the exempt property or income from being seized. The judgment creditors will not look out for your best interests. **You** must do that.

For more information on how to claim your exemption rights, see Legal Aid Center of Southern Nevada's Attachment and Garnishment brochure. (http://www.lacsn.org/images/stories/LACSN_Bch_Attach_Garnish.pdf). This is not a complete list of exemptions. You should consult with an attorney to determine if you qualify for any other exemptions.

What Can I Leave to My Heirs?

Many of the exemptions listed in this brochure only protect assets during your lifetime. Most exemptions do not continue beyond death and the assets may be available for collection by your creditors after your death. NRS 21.060. However, if there is a judgment lien against a homesteaded house or mobile home, your spouse or child may enjoy the property for the remainder of his or her lifetime, ***if*** your situation meets the requirements of NRS 115.060. Again, if the judgment lien is for a medical debt, NRS 21.095 protects the asset if your spouse, dependent, minor child, adult child with mental or physical disabilities, or a joint tenant reside in the home.

AFEXE

(Name)

(Address)

(City, State, Zip Code)

(Telephone Number)

(E-mail Address)

☐ Defendant/ ☐ Other, In Proper Person

JUSTICE COURT, TOWNSHIP OF _____
CLARK COUNTY, NEVADA

_____,

Plaintiff(s),

vs.

_____,

Defendant(s).

Case No.: _____

Dept. No.: _____

**CLAIM OF EXEMPTION FROM
EXECUTION**

I, (insert your name) _____, submit this Claim of

Exemption from Execution pursuant to NRS 21.112 and state as follows:

(Check only one of the following boxes.)

☐ I am a Defendant in this case and have had my wages withheld or have received a Notice of Execution regarding the attachment or garnishment of my wages, money, benefits, or property.

☐ I am not a Defendant in this case, but my wages, money, benefits, or property are the subject of an attachment or garnishment relating to a Defendant in this case. (NRS 21.112(10).)

My wages, money, benefits, or property are exempt by law from execution as indicated below.

Pursuant to NRS 21.112(4), if the Plaintiff/Judgment Creditor does not file an objection and notice of hearing in response to this Claim of Exemption within eight judicial days after my Claim of Exemption from Execution has been served, any person who has control or possession over my wages, money, benefits, or property (such as my employer or bank, for example) must release them to me within nine judicial days after this Claim of Exemption from Execution has been served.

(Check all of the following boxes that apply to your wages, money, benefits, or property.)

- ☐ Money or payments received pursuant to the federal Social Security Act, including retirement, disability, survivors' benefits, and SSI. (NRS 21.090(1)(y) and 42 U.S.C. § 407(a).)
- ☐ Money or payments for assistance received through the Nevada Department of Health and Human Services, Division of Welfare and Supportive Services, pursuant to NRS 422.291. (NRS 21.090(1)(kk) and 422A.325.)
- ☐ Money or payments received as unemployment compensation benefits pursuant to NRS 612.710. (NRS 21.090(1)(hh).)
- ☐ Money or compensation payable or paid under NRS 616A to 616D (worker's compensation/ industrial insurance), as provided in NRS 616C.205. (NRS 21.090(1)(gg).)
- ☐ Money or payments received as veteran's benefits. (38 U.S.C. § 5301.)
- ☐ Money or payments received as retirement benefits under the federal Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS). (5 U.S.C. § 8346.)
- ☐ Seventy-five percent (75%) of my disposable earnings or eighty-two (82%) of my disposable earnings if my gross weekly salary is \$770 or less. "Disposable earnings" are the earnings remaining "after the deduction . . . of any amounts required by law to be withheld." (NRS 21.090(1)(g)(1).) The "amounts required by law to be withheld" are federal income tax, Medicare, and Social Security taxes.
- ☐ Check here if your disposable weekly earnings do not exceed \$362.50 or 50 times the federal minimum wage ($50 \times \$7.25 = \362.50), in which case ALL of your disposable earnings are exempt. (NRS 21.090(1)(g).)
- ☐ Check here if your disposable weekly earnings are between \$362.50 and \$483.33, in which case your exempt income is always \$362.50. Your non-exempt income is your weekly disposable earnings minus \$362.50, which equals (insert amount here): \$ _____ per week. (NRS 31.295.)
- ☐ Money or benefits received pursuant to a court order for the support, education, and maintenance of a child, or for the support of a former spouse, including arrearages. (NRS 21.090(1)(s)-(t).)
- ☐ Money received as a result of the federal Earned Income Tax Credit or similar credit provided

1 under Nevada law. (NRS 21.090(1)(aa).)

- 2 ☐ \$10,000 or less of my money or personal property, identified as *(describe the specific money or property you*
3 *wish to make exempt)* _____,

4 which is not otherwise exempt under NRS 21.090. (NRS 21.090(1)(z).)

- 5 ☐ Money, up to \$1,000,000, held in a retirement plan which conforms with or is maintained
6 pursuant to applicable limitations and requirements of the Internal Revenue Code, including, but
7 not limited to, an IRA, 401k, 403b, or other qualified stock bonus, pension, or profit-sharing plan.
8 (NRS 21.090(1)(r).)

- 9 ☐ All money, benefits, privileges, or immunities derived from a life insurance policy. (NRS
10 21.090(1)(k).)

- 11 ☐ Money, benefits, or refunds payable or paid from Nevada's Public Employees' Retirement System
12 pursuant to NRS 286.670. (NRS 21.090(1)(ii).)

- 13 ☐ A homestead recorded pursuant to NRS 115.010 on a dwelling (house, condominium, townhome,
14 and land) or a mobile home where my equity does not exceed \$605,000. (NRS 21.090(1)(l).)

- 15 ☐ My dwelling, occupied by me and my family, where the amount of my equity does not exceed
16 \$605,000, and I do not own the land upon which the dwelling is situated. (NRS 21.090(1)(m).)

- 17 ☐ Check here if the judgment being collected arises from a medical bill. If it does, your
18 primary dwelling and the land upon which it is situated (if owned by you), including a mobile
19 or manufactured home, are exempt from execution regardless of your equity. (NRS 21.095.)

- 20 ☐ My vehicle, where the amount of equity does not exceed \$15,000, or I will pay the judgment
21 creditor any amount over \$15,000 in equity. (NRS 21.090(1)(f).)

- 22 ☐ Check here if your vehicle is specially equipped or modified to provide mobility for you or
23 your dependent and either you or your dependent has a permanent disability. Your vehicle is
24 exempt regardless of the equity. (NRS 21.090(1)(p).)

- 25 ☐ A prosthesis or any equipment prescribed by a physician or dentist for me or my dependent.
26 (NRS 21.090(1)(q).)

- 27 ☐ My private library, works of art, musical instruments, jewelry, or keepsakes belonging to me or
28 my dependent, chosen by me and not to exceed \$5,000 in value. (NRS 21.090(1)(a).)

- ☐ My necessary household goods, furnishings, electronics, clothes, personal effects, or yard equipment, belonging to me or my dependent, chosen by me and not to exceed \$12,000 in value. (NRS 21.090(1)(b).)
- ☐ Money or payments received from a private disability insurance plan. (NRS 21.090(1)(ee).)
- ☐ Money in a trust fund for funeral or burial services pursuant to NRS 689.700. (NRS 21.090(1)(ff).)
- ☐ My professional library, equipment, supplies, and the tools, inventory, instruments, and materials used to carry on my trade or business for the support of me and my family not to exceed \$10,000 in value. (NRS 21.090(1)(d).)
- ☐ Money that I reasonably deposited with my landlord to rent or lease a dwelling that is used as my primary residence, unless the landlord is enforcing the terms of the rental agreement or lease. (NRS 21.090(1)(n).)
- ☐ Money or payments, up to \$16,150, received as compensation for personal injury, not including compensation for pain and suffering or actual pecuniary loss, by me or by a person upon whom I am dependent. (NRS 21.090(1)(u).)
- ☐ Money or payments received as compensation for loss of my future earnings or for the wrongful death or loss of future earnings of a person upon whom I was dependent, to the extent reasonably necessary for the support of me and my dependents. (NRS 21.090(1)(v)-(w).)
- ☐ Money or payments received as restitution for a criminal act. (NRS 21.090(1)(x).)
- ☐ Money paid or rights existing for vocational rehabilitation pursuant to NRS 615.270. (NRS 21.090(1)(jj).)
- ☐ Child welfare assistance provided pursuant to NRS 432.036. (NRS 21.090(1)(ll).)
- ☐ Other: _____

AUTOMATIC BANK ACCOUNT EXEMPTIONS

(Some direct-deposit funds are automatically protected and should not be taken from your bank account. If automatically protected money was taken from your bank account, check the appropriate box below and attach proof of direct-deposit benefits.)

- ☐ All exempt federal benefits that were electronically deposited into my account during the prior two months are protected, and I am, therefore, entitled to full and customary access to that

protected amount. (31 C.F.R. part 212.6(a).) Money in my personal bank account that exceeds that amount may be subject to the exemptions stated above.

- ☐ Exempt state or federal benefits were electronically deposited into my personal bank account during the 45-day period preceding Plaintiff's service of the writ of execution or garnishment relating to my personal bank account, and under Nevada law, I am entitled to full and customary access to \$2,000 or the entire amount in the account, whichever is less, regardless of any other deposits of money into the account. Money in my personal bank account that exceeds that amount may be subject to the exemptions stated above. (NRS 21.105.)
- ☐ A writ of execution or garnishment was levied on my personal bank account, and under Nevada law, I am entitled to full and customary access to \$400 or the entire amount in my account, whichever is less, unless the writ is for the recovery of money owed for the support of any person. Money in my personal bank account that exceeds \$400 may be subject to the exemptions stated above. (NRS 21.105.)

Pursuant to NRS 21.112(4), if you are a Garnishee or other person who has control or possession over my exempt ☐ wages, ☐ bank accounts, ☐ benefits, ☐ other accounts/funds, or ☐ personal or real property, as stated above, you must release that money or property to me within nine judicial days after my Claim of Exemption from Execution was served on you, unless the Plaintiff/Judgment Creditor files an objection and notice of hearing within eight judicial days after service of my Claim of Exemption from Execution, which the Plaintiff/Judgment Creditor will serve on you by mail or in person.

DATED this _____ day of _____, 20_____.

I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

(signature)

(print name)
☐ Defendant/ ☐ Other, In Proper Person

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on the _____ day of _____, 20____, I placed
a true and correct copy of the foregoing **CLAIM OF EXEMPTION FROM EXECUTION** in the
United States Mail, with first-class postage prepaid, addressed to the following *(insert the name and address of the
following parties/entities):*

Attorney for Plaintiff/Judgment Creditor:
(or Plaintiff/Judgment Creditor directly if unrepresented)

☐ Sheriff or ☐ Constable:

Garnishee:

- ☐ Employer
☐ Bank
☐ Other

DATED this _____ day of _____, 20____.

I declare under penalty of perjury under the laws of the
State of Nevada that the foregoing is true and correct.

(signature)

(print name)

☐ Defendant/ ☐ Other, In Proper Person

Judgment Collection

I am being garnished or funds in my bank account have been attached,
now what do I do?

- WAGES - You should receive a copy of the “Writ of Execution” from your employer, which it received from the Constable’s office.
- BANK ACCOUNT - Most people learn that their bank account has been attached or “frozen” when they attempt to use their account. Otherwise, you should receive a copy of the “Writ of Execution” or “Writ of Attachment” from the Constable’s office or your bank.
- As soon as you have been garnished or that your bank account is going to be attached, go to the Civil Law Self-Help Center in the Regional Justice Center at 200 Lewis Ave., Las Vegas, NV 89101 and file a “Claim Exemption from Execution.” NRS 21.112.
- You only have 10 days to do this following notice of a writ of execution or garnishment. If your wages are being garnished, you must file the claim of exemption within 10 days of the date of each withholding. NRS 21.112(1)
- It is free to file the Claim of Exemption from Execution. NRS 21.112(2)
- The creditor can file an objection within 8 judicial days after the claim of exemption has been served, contesting the claim of exemption, at which time the court will set a hearing date. NRS 21.112(3).
- If you have filed the Claim of Exemption from Execution and Plaintiff-creditor has not contested that Affidavit within 8 judicial days after the claim of exemption has been served, the Constable’s office should return your attached funds. NRS 21.112(4).

- The hearing date is usually within 7 days of the Plaintiff-creditors' Objection.
- At the hearing, you will have the opportunity to “prove up” that the funds seized from your bank account were, indeed, exempt from execution.

Fair Debt Collection Practices Act

What is it?

- *Who does this apply to?* Third Parties Collecting on Behalf of Another, not Original Creditors.
- *Who is an Original Creditor?* The entity that issued you credit or lent you money. If you had a Capital One credit card, Capital One is your original creditor.
- *Who is a Third Party Collecting on Behalf of Another?* A collection agency, a person who buys bad debts (debt buyer), or an attorney for an original creditor or debt buyer. (e.g., the entity that bought your Capital One account.)
- In Nevada, the federal Fair Debt Collection Practices Act applies to payday and title lenders (NRS 604A.5014) as well as collection of a hospital debt (NRS 449A.165) which would otherwise be considered original creditors and *not* subject to the Fair Debt Collection Practices Act.

What is Prohibited?

- Calls between 9:00 p.m. and 8:00 a.m. by creditors.
- Communication with third parties about the debt (family members, neighbors, friends, employers, etc.).

- Threats of legal action that cannot be taken, including, but not limited to, threats of incarceration for nonpayment.
- Use of unfair or unconscionable means to collect a debt, including, but not limited to, swearing at debtors and threatening harm to person or property.
- Continuing to contact debtor following receipt of “validation of debt” letter and prior to sending written verification. (Page 40)
- Continuing to contact debtor following receipt of cease communication letter. (Page 24 and 42)

Validation of Debt Letter

- If you receive a letter that says this:

You have the right to dispute the validity of this debt. Upon a written request within 30 days of the date of receipt of this letter, if you notify us that the debt, or any portion thereof, is disputed, then we will obtain written verification of the debt or a copy of such verification or judgment and mail it to you.

- It is recommended that you dispute the validity of the debt, even if you recognize the account.
- Send the verification of debt letter (Page 40) by certified mail, return receipt requested; or *at least* make a photocopy of the completed letter and the envelope you sent it in.
- Disputing the validity of the debt stops the collection process (including telephone calls) until the debt collector verifies the debt.

(YOUR NAME)

(STREET ADDRESS)

(CITY, STATE ZIP CODE)

(DATE)

(AGENCY OR ATTORNEY'S NAME)

(STREET ADDRESS)

(CITY, STATE ZIP CODE)

Re: _____

(CASE NUMBER OR ACCOUNT NUMBER)

To whom it may concern:

Please be advised that I am disputing the validity of this debt. Please provide written verification of the validity of this debt by forwarding the name and address of the original creditor and all contracts, correspondences, billing records, payment histories and notices to the above address.

This request has been made pursuant to the Fair Debt Collection Practices Act and failure to comply will be considered a violation of federal law under 15 U.S.C. § 1692.

Additionally, Nevada law requires that a collection agency obtain or attempt to obtain from the creditor any document that is not in the possession of the collection agency and is reasonably responsive to the dispute of the debtor, and mail the document to the debtor.

This letter is not meant in any way to be an acknowledgment that I owe this debt. Thank you for your immediate attention to this matter.

Sincerely,

(Your signature)

Sent via certified mail # _____

Cease Communication Letter

Step One: Identify the caller (“Google” the telephone number, ask the caller to identify him or herself, or check your credit report.)

Step Two: Complete form “cease communication letter” or draft your own. (Page 42)

Step Three: Send the cease communication letter by certified mail, return receipt requested; or *at least* make a photocopy of the completed letter and the envelope you sent it in.

Step Four: Harassing phone calls should stop within 2 to 3 business days. If phone calls persist, make a log of the date, time, and identity of the caller and then call Legal Aid Center of Southern Nevada.

<u>Date</u>	<u>Time</u>	<u>Phone #</u>	<u>Company</u>	<u>Name</u>	<u>What was said</u>

(YOUR NAME)

(STREET ADDRESS)

(CITY, STATE ZIP CODE)

(DATE)

(AGENCY'S NAME)

(STREET ADDRESS)

(CITY, STATE ZIP CODE)

Re: _____
(ACCOUNT NUMBER)

To whom it may concern:

I am writing to inform you that I dispute the validity of this debt and refuse to pay it. Please cease communication with me and any third party regarding the above referenced account. This written request to cease communication is made pursuant to the Fair Debt Collection Practice Act, 15 U.S.C. §1692c(c)

This letter is not meant in any way to be an acknowledgment that I owe this debt.

Sincerely,

(Your signature)

Sent via certified mail # _____

Remedies for Violations

- Injured consumers may be entitled to an award of \$1,000 in statutory damages, as well as any provable actual or consequential damages.
- Oftentimes, as part of the settlement of a lawsuit brought under the Fair Debt Collection Practices Act, the debt giving rise to the consumer's action is forgiven or significantly reduced.

Payday or Title Lenders

- In Nevada, by virtue of state law (NRS Chapter 604A), the federal Fair Debt Collection Practices Act applies to payday and title lenders who would otherwise be considered original creditors and *not* subject to the Fair Debt Collection Practices Act.
- If you send a “cease communication letter” to a payday or title lender, that lender must stop calling you.
 - Be careful with title lenders, they still have the ability to repossess your vehicle!
- Payday and title lenders are prohibited from engaging in abusive and unconscionable collection practices, including, but not limited to, threatening criminal prosecution, swearing, and threatening physical harm to person or property.

What happens if a Payday or Title Lender violates the Fair Debt Collection Practices Act (FDCPA)?

- Injured consumers may be entitled to void their loan agreements and get a refund of all the money the consumer has paid to the payday or title lender.
- In some instances, injured consumers may be entitled to an award of \$1,000 in statutory damages.

(YOUR NAME)

(STREET ADDRESS)

(CITY, STATE ZIP CODE)

(DATE)

(AGENCY'S NAME)

(STREET ADDRESS)

(CITY, STATE ZIP CODE)

Re: _____

(ACCOUNT NUMBER)

To whom it may concern:

Pursuant to Nevada Revised Statute 604A.415(1), this letter shall serve as notice to you to cease communication with me regarding the above referenced debt. I am also requesting that you cease all communications with me at my place of employment and cease all third party communication.

Please consider this account in default as of the date of the letter and as such, pursuant to NRS Chapter 604A drop the interest rate to prime plus ten percent (10%).

Also, take notice that I am disputing all or part of this debt. Please provide written verification of the validity of this debt by forwarding all contracts, correspondences, billing records, payment histories and notices to the above address.

Thank you for your immediate attention to this matter.

Sincerely,

(Your signature)

Sent via certified mail # _____

Scams

- There is no such thing as “credit repair.” There are only three ways to improve your credit rating:
 1. Pull your credit report and dispute negative posts that do not belong to you or are more than 7 years old;
 2. Pay your accounts in negative standing; or
 3. File bankruptcy and rebuild your credit over a number of years.
- Debt Management Services do not do anything for you that you cannot do for yourself or accomplish through the retention of the Money Management International, 702-364-0344, <https://www.moneymangement.org/locations/nevada/las-vegas>, which assists consumers for a nominal fee.
- If you have utilized a Credit Repair Organization or Debt Management Service and you are unhappy with the services provided, contact the Legal Aid Center of Southern Nevada.

Bankruptcy

- Bankruptcy is the process by which you can discharge debts in a federal Bankruptcy Court case, through a Chapter 7 liquidation or Chapter 13 reorganization. A trustee is appointed to oversee your case and collect any non-exempt assets to repay your creditors. You must list all of your assets and debts in your bankruptcy.
- An “Automatic Stay” goes into effect when you file your bankruptcy petition, stopping creditors’ collection actions during the bankruptcy case. However, a bankruptcy will only temporarily stop collections

by secured creditors, *e.g.* the mortgage lender or car finance company. There also are exceptions to the Automatic Stay, such as divorce, paternity, custody & support proceedings, and criminal proceedings.

- It usually takes 4 - 6 months to obtain a discharge in a Chapter 7 case. Chapter 13 cases take 3-5 years to repay some or all of your debts and the remainder are discharged. Some debts cannot be discharged – including Domestic Support Obligations (child support & alimony), most IRS taxes and student loans in most cases. Discharge relieves you of personal liability, but you must make payments to mortgage lender, HOA, and car finance company if you want to keep your house or car.
- You can only receive a Chapter 7 discharge every eight years. This is why it often makes sense to wait to file if you are collection proof and are likely to incur additional debt.
- If you would like more information about bankruptcy, the Legal Aid Center of Southern Nevada invites you to attend the free Bankruptcy Community Legal Education Class. At the class, you can obtain an application for a *pro bono* attorney through our office if you decide to file for bankruptcy. Please go to our website for the most current class information.
<http://www.lacsn.org/what-we-do/free-classes>
- If your case is rejected or you do not meet our income qualification guidelines (see page 75), and still wish to file bankruptcy, we encourage you to retain counsel rather than hiring a non-attorney bankruptcy petition preparer – an unknowledgeable petition preparer can often make a bad situation worse and does not have the same accountability as a licensed attorney.
- If you have utilized **any** type of petition preparer and you are unhappy with the services provided, contact the Legal Aid Center of Southern Nevada.

Things to Remember Even if You Are Collection Proof

- If you share a bank account with a spouse, family member, or friend, remember that his or her non-exempt deposits may be subject to attachment for your debts.
- Beware that some financial institutions use cross-collateralization clauses. If you maintain a checking and/or savings account at the same financial institution at which you have a revolving line of credit (credit card), a mortgage, or an auto loan and you default on the payment, the financial institution may take money from your checking or savings account to pay off the loan without first taking you to court. (cross-collateralization clause)
- If you default on an account for which you have given an authorization to make an automatic debit from a checking or savings account (this is common with payday loans), close the account *before* you default and open another account at a different financial institution.
- Although your bank won't allow your Social Security payments to be attached, it will not protect you from attachment of otherwise exempt funds (e.g., life insurance proceeds, wages under \$362.50 per week, non-direct deposited benefits, etc.). In the event those funds are attached, you will have to go to court to protect your rights.
- A safe deposit box is not safe from a judgment-creditor. NRS 21.027
- You should homestead your house or mobile home.
- If you have been sued, it is important to file a written answer within 20 days of the date on which you were served with summons and complaint (or appear in court at the specified time and place). If you do not file an answer, the creditor can obtain a default judgment

against you. You should always answer and/or go to court to ensure the creditor does not add fees that you do not owe.

- If a creditor has already obtained a judgment against you and garnishes or attaches exempt property, you must act quickly. Even though your income or property is exempt, creditors may still attempt to take it. You only have **10 days** from the date of the notice of attachment or execution, or wage garnishment, to claim your property is exempt. Go to the Civil Law Self-Help Center in the Regional Justice Center at 200 Lewis Ave., Las Vegas, NV 89101 for assistance.
- If you are being harassed by a creditor, you may consider sending a letter advising the creditor that you are collection proof and requesting not to be contacted.
- It is not recommended that you take out loans over the internet as the law is unclear and falls outside the protections of Nevada state law.

EXERCISING YOUR RIGHTS UNDER THE LAW

- Even if you are collection proof, your creditors can still make “negative” posts on your credit report, thereby lowering your credit score. Thus, it is best to purchase “big ticket” items (homes, cars, etc.) before you exercise your “collection proof” rights so you can get the best deals on credit.

Assessing Your Finances

- STEP ONE: Determine whether or not you are collection proof. If you are not collection proof, and you cannot make ends meet, you may want to consider filing bankruptcy.

- STEP TWO: If you are collection proof, the next step is to decide what creditors you want to pay and what creditors you don't want to pay.
 - Generally, debts owed to the federal government or for child support should be paid because default can result in garnishment of otherwise exempt funds.
 - Generally, debts owed to secured creditors (example: car note, mortgage) should be paid because default can result in seizure of the collateral.
 - Make sure you have money for food, medication, and utilities.
 - Generally, debts owed to creditors with whom you wish to remain in good standing (*e.g.* some people have a low balance, low interest credit card they want to keep) should be paid.
 - Generally, a person who is collection proof can default on an unsecured debt not owed to the federal government, *e.g.* credit cards, medical debt, and other consumer debt, without consequence other than a negative impact on that person's credit rating (even though you may be sued).
- STEP THREE: Stop harassing phone calls by sending "cease communication letters" once your accounts are turned over to collection agencies, sold to debt buyers, or your creditor places the account with a lawyer.

If you think you need further assistance please consult with an attorney or contact either:

Civil Law Self Help Center in the Regional Justice Center

200 Lewis Ave.

Las Vegas, Nevada 89101

<http://www.civillawselfhelpcenter.org/>

or

Legal Aid Center of Southern Nevada

725 E. Charleston Blvd.

Las Vegas, Nevada 89104

(702) 386 - 1070

<http://www.lacsn.org/>

This packet has been prepared as a courtesy by Legal Aid Center of Southern Nevada and is not to be construed as legal advice or representation.

SUPPLEMENTAL MATERIALS

NRS 21.090 Property exempt from execution.

1. The following property is exempt from execution, except as otherwise specifically provided in this section or required by federal law:

(a) Private libraries, works of art, musical instruments and jewelry not to exceed \$5,000 in value, belonging to the judgment debtor or a dependent of the judgment debtor, to be selected by the judgment debtor, and all family pictures and keepsakes.

(b) Necessary household goods, furnishings, electronics, wearing apparel, other personal effects and yard equipment, not to exceed \$12,000 in value, belonging to the judgment debtor or a dependent of the judgment debtor, to be selected by the judgment debtor.

(c) Farm trucks, farm stock, farm tools, farm equipment, supplies and seed not to exceed \$4,500 in value, belonging to the judgment debtor to be selected by the judgment debtor.

(d) Professional libraries, equipment, supplies, and the tools, inventory, instruments and materials used to carry on the trade or business of the judgment debtor for the support of the judgment debtor and his or her family not to exceed \$10,000 in value.

(e) The cabin or dwelling of a miner or prospector, the miner's or prospector's cars, implements and appliances necessary for carrying on any mining operations and the mining claim actually worked by the miner or prospector, not exceeding \$4,500 in total value.

(f) Except as otherwise provided in paragraph (p), one vehicle if the judgment debtor's equity does not exceed \$15,000 or the creditor is paid an amount equal to any excess above that equity.

(g) For any workweek, 82 percent of the disposable earnings of a judgment debtor during that week if the gross weekly salary or wage of the judgment debtor on the date the most recent writ of garnishment was issued was \$770 or less, 75 percent of the disposable earnings of a judgment debtor during that week if the gross weekly salary or wage of the judgment debtor on the date the most recent writ of garnishment was issued exceeded \$770, or 50 times the minimum hourly wage prescribed by section 206(a)(1) of the federal Fair Labor Standards Act of 1938, 29 U.S.C. §§ 201 et seq., and in effect at the time the earnings are payable, whichever is greater. Except as otherwise provided in paragraphs (o), (s) and (t), the exemption provided in this paragraph does not apply in the case of any order of a court of competent jurisdiction for the support of any person, any order of a court of bankruptcy or of any debt due for any state or federal tax. As used in this paragraph:

(1) "Disposable earnings" means that part of the earnings of a judgment debtor remaining after the deduction from those earnings of any amounts required by law to be withheld.

(2) "Earnings" means compensation paid or payable for personal services performed by a judgment debtor in the regular course of business, including, without limitation, compensation designated as income, wages, tips, a salary, a commission or a bonus. The term includes compensation received by a judgment debtor that is in the possession of the judgment debtor, compensation held in accounts maintained in a bank or any other financial institution or, in the case of a receivable, compensation that is due the judgment debtor.

(h) All fire engines, hooks and ladders, with the carts, trucks and carriages, hose, buckets, implements and apparatus thereunto appertaining, and all furniture and uniforms of any fire company or department organized under the laws of this State.

(i) All arms, uniforms and accouterments required by law to be kept by any person, and also one gun, to be selected by the debtor.

(j) All courthouses, jails, public offices and buildings, lots, grounds and personal property, the fixtures, furniture, books, papers and appurtenances belonging and pertaining to the courthouse, jail and public offices belonging to any county of this State, all cemeteries, public squares, parks and places, public buildings, town halls, markets, buildings for the use of fire departments and military organizations, and the lots and grounds thereto belonging and appertaining, owned or held by any town or incorporated city, or dedicated by the town or city to health, ornament or public use, or for the use of any fire or military company organized under the laws of this State and all lots, buildings and other school property owned by a school district and devoted to public school purposes.

(k) All money, benefits, privileges or immunities accruing or in any manner growing out of any life insurance.

(l) The homestead as provided for by law, including:

(1) Subject to the provisions of [NRS 115.055](#), the sum of \$605,000 that is paid to the defendant in execution pursuant to subsection 2 of [NRS 115.050](#) or to a spouse pursuant to subsection 3 of [NRS 115.050](#); and

(2) A homestead for which allodial title has been established and not relinquished and for which a waiver executed pursuant to [NRS 115.010](#) is not applicable.

(m) The dwelling of the judgment debtor occupied as a home for himself or herself and family, where the amount of equity held by the judgment debtor in the home does not exceed \$605,000 in value and the dwelling is situated upon lands not owned by the judgment debtor.

(n) All money reasonably deposited with a landlord by the judgment debtor to secure an agreement to rent or lease a dwelling that is used by the judgment debtor as his or her primary residence, except that such money is not exempt with respect to a landlord or the landlord's successor in interest who seeks to enforce the terms of the agreement to rent or lease the dwelling.

(o) All property in this State of the judgment debtor where the judgment is in favor of any state for failure to pay that state's income tax on benefits received from a pension or other retirement plan.

(p) Any vehicle owned by the judgment debtor for use by the judgment debtor or the judgment debtor's dependent that is equipped or modified to provide mobility for a person with a permanent disability.

(q) Any prosthesis or equipment prescribed by a physician or dentist for the judgment debtor or a dependent of the debtor.

(r) Money, not to exceed \$1,000,000 in present value, held in:

(1) An individual retirement arrangement which conforms with or is maintained pursuant to the applicable limitations and requirements of section 408 or 408A of the Internal Revenue Code, 26 U.S.C. §§ 408 and 408A, including, without limitation, an inherited individual retirement arrangement;

(2) A written simplified employee pension plan which conforms with or is maintained pursuant to the applicable limitations and requirements of section 408 of the Internal Revenue Code, 26 U.S.C. § 408, including, without limitation, an inherited simplified employee pension plan;

(3) A cash or deferred arrangement plan which is qualified and maintained pursuant to the Internal Revenue Code, including, without limitation, an inherited cash or deferred arrangement plan;

(4) A trust forming part of a stock bonus, pension or profit-sharing plan which is qualified and maintained pursuant to sections 401 et seq. of the Internal Revenue Code, 26 U.S.C. §§ 401 et seq.; and

(5) A trust forming part of a qualified tuition program pursuant to [chapter 353B](#) of NRS, any applicable regulations adopted pursuant to [chapter 353B](#) of NRS and section 529 of the Internal Revenue Code, 26 U.S.C. § 529, unless the money is deposited after the entry of a judgment against the purchaser or account owner or the money will not be used by any beneficiary to attend a college or university.

(s) All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support, education and maintenance of a child, whether collected by the judgment debtor or the State.

(t) All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support and maintenance of a former spouse, including the amount of any arrearages in the payment of such support and maintenance to which the former spouse may be entitled.

(u) Payments, in an amount not to exceed \$16,150, received as compensation for personal injury, not including compensation for pain and suffering or actual pecuniary loss, by the judgment debtor or by a person upon whom the judgment debtor is dependent at the time the payment is received.

(v) Payments received as compensation for the wrongful death of a person upon whom the judgment debtor was dependent at the time of the wrongful death, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

(w) Payments received as compensation for the loss of future earnings of the judgment debtor or of a person upon whom the judgment debtor is dependent at the time the payment is received, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

(x) Payments received as restitution for a criminal act.

(y) Payments received pursuant to the federal Social Security Act, including, without limitation, retirement and survivors' benefits, supplemental security income benefits and disability insurance benefits.

(z) Any personal property not otherwise exempt from execution pursuant to this subsection belonging to the judgment debtor, including, without limitation, the judgment debtor's equity in any property, money, stocks, bonds or other funds on deposit with a financial institution, not to exceed \$10,000 in total value, to be selected by the judgment debtor.

(aa) Any tax refund received by the judgment debtor that is derived from the earned income credit described in section 32 of the Internal Revenue Code, 26 U.S.C. § 32, or a similar credit provided pursuant to a state law.

(bb) Stock of a corporation described in subsection 2 of [NRS 78.746](#) except as set forth in that section.

(cc) Regardless of whether a trust contains a spendthrift provision:

(1) A distribution interest in the trust as defined in [NRS 163.4155](#) that is a contingent interest, if the contingency has not been satisfied or removed;

(2) A distribution interest in the trust as defined in [NRS 163.4155](#) that is a discretionary interest as described in [NRS 163.4185](#), if the interest has not been distributed;

(3) A power of appointment in the trust as defined in [NRS 163.4157](#) regardless of whether the power has been exercised;

(4) A power listed in [NRS 163.5553](#) that is held by a trust protector as defined in [NRS 163.5547](#) or any other person regardless of whether the power has been exercised; and

(5) A reserved power in the trust as defined in [NRS 163.4165](#) regardless of whether the power has been exercised.

(dd) If a trust contains a spendthrift provision:

(1) A distribution interest in the trust as defined in [NRS 163.4155](#) that is a mandatory interest as described in [NRS 163.4185](#), if the interest has not been distributed; and

(2) Notwithstanding a beneficiary's right to enforce a support interest, a distribution interest in the trust as defined in [NRS 163.4155](#) that is a support interest as described in [NRS 163.4185](#), if the interest has not been distributed.

(ee) Proceeds received from a private disability insurance plan.

(ff) Money in a trust fund for funeral or burial services pursuant to [NRS 689.700](#).

(gg) Compensation that was payable or paid pursuant to [chapters 616A to 616D](#), inclusive, or chapter [617](#) of NRS as provided in [NRS 616C.205](#).

(hh) Unemployment compensation benefits received pursuant to [NRS 612.710](#).

(ii) Benefits or refunds payable or paid from the Public Employees' Retirement System pursuant to [NRS 286.670](#).

(jj) Money paid or rights existing for vocational rehabilitation pursuant to [NRS 615.270](#).

(kk) Public assistance provided through the Department of Health and Human Services pursuant to [NRS 422.291](#) and [422A.325](#).

(ll) Child welfare assistance provided pursuant to [NRS 432.036](#).

2. Except as otherwise provided in [NRS 115.010](#), no article or species of property mentioned in this section is exempt from execution issued upon a judgment to recover for its price, or upon a judgment of foreclosure of a mortgage or other lien thereon.

3. Any exemptions specified in subsection (d) of section 522 of the Bankruptcy Reform Act of 1978, 11 U.S.C. §§ 101 et seq., do not apply to property owned by a resident of this State unless conferred also by subsection 1, as limited by subsection 2.

[1911 CPA § 346; A [1921, 22](#); [1941, 32](#); 1931 NCL § 8844] — (NRS A [1969, 841](#); [1971, 1498](#); [1973, 23](#); [1975, 215](#); [1977, 650](#); [1979, 985, 1637](#); [1981, 626](#); [1983, 99, 665](#); [1987, 1206](#); [1989, 4, 176, 645](#); [1991, 812, 1414](#); [1993, 2629](#); [1995, 229](#); [1997, 267, 3414](#); [2003, 1012, 1814](#); [2005, 385, 974, 1015, 2230](#); [2007, 2710, 3018](#); [2009, 807](#); [2011, 1409, 1895, 3567](#); [2013, 1312](#); [2017, 1661](#), [1970](#); [2019, 282, 1838](#)).

NRS 21.095 Property exempt from execution upon judgment for medical bill.

The primary dwelling, including a mobile or manufactured home, of a judgment debtor is exempt from execution upon a judgment for a medical bill. The parcel of land upon which the dwelling is situated and any appurtenances thereto are also exempt if they are owned by the judgment debtor. These exemptions apply during the:

1. Lifetime of the judgment debtor, his or her spouse, his or her dependent adult child if that child is mentally or physically disabled or a joint tenant if the person was a joint tenant when the judgment was entered; or

2. Minority of any child of the judgment debtor, if the judgment debtor or joint tenant resides in the dwelling, or the spouse, dependent or minor child of the judgment debtor resides in the dwelling.

(Added to NRS by [1989, 10](#))

NRS 21.105 Certain amount in personal bank account not subject to execution; claim of exemption for additional amount; determination of exemption; immunity from liability for financial institution.

1. If a writ of execution or garnishment is levied on the personal bank account of the judgment debtor and money has been deposited into the account electronically within the immediately preceding 45 days from the date on which the writ was served which is reasonably identifiable as exempt from execution, notwithstanding any other deposits of money into the account, \$2,000 or the entire amount in the account, whichever is less, is not subject to execution and must remain accessible to the judgment debtor. For the purposes of this section, money is reasonably identifiable as

exempt from execution if the money is deposited in the bank account by the United States Department of the Treasury, including, without limitation, money deposited as:

(a) Benefits provided pursuant to the Social Security Act which are exempt from execution pursuant to 42 U.S.C. §§ 407 and 1383, including, without limitation, retirement and survivors' benefits, supplemental security income benefits, disability insurance benefits and child support payments that are processed pursuant to Part D of Title IV of the Social Security Act;

(b) Veterans' benefits which are exempt from execution pursuant to 38 U.S.C. § 5301;

(c) Annuities payable to retired railroad employees which are exempt from execution pursuant to 45 U.S.C. § 231m;

(d) Benefits provided for retirement or disability of federal employees which are exempt from execution pursuant to 5 U.S.C. §§ 8346 and 8470;

(e) Annuities payable to retired members of the Armed Forces of the United States and to any surviving spouse or children of such members which are exempt from execution pursuant to 10 U.S.C. §§ 1440 and 1450;

(f) Payments and allowances to members of the Armed Forces of the United States which are exempt from execution pursuant to 37 U.S.C. § 701;

(g) Federal student loan payments which are exempt from execution pursuant to 20 U.S.C. § 1095a;

(h) Wages due or accruing to merchant seamen which are exempt from execution pursuant to 46 U.S.C. § 11109;

(i) Compensation or benefits due or payable to longshore and harbor workers which are exempt from execution pursuant to 33 U.S.C. § 916;

(j) Annuities and benefits for retirement and disability of members of the foreign service which are exempt from execution pursuant to 22 U.S.C. § 4060;

(k) Compensation for injury, death or detention of employees of contractors with the United States outside the United States which is exempt from execution pursuant to 42 U.S.C. § 1717;

(l) Assistance for a disaster from the Federal Emergency Management Agency which is exempt from execution pursuant to 44 C.F.R. § 206.110;

(m) Black lung benefits paid to a miner or a miner's surviving spouse or children pursuant to 30 U.S.C. § 922 or 931 which are exempt from execution; and

(n) Benefits provided pursuant to any other federal law.

2. If a writ of execution or garnishment is levied on the personal bank account of the judgment debtor and the provisions of subsection 1 do not apply, \$400 or the entire amount in the account, whichever is less, is not subject to execution and must remain accessible to the judgment debtor, unless the writ of execution or garnishment is for the recovery of money owed for the support of any person.

3. If a judgment debtor has more than one personal bank account with the bank to which a writ is issued, the amount that is not subject to execution must not in the aggregate exceed the amount specified in subsection 1 or 2, as applicable.

4. A judgment debtor may apply to a court to claim an exemption for any amount subject to a writ levied on a personal bank account which exceeds the amount that is not subject to execution pursuant to subsection 1 or 2.

5. If money in the personal account of the judgment debtor which exceeds the amount that is not subject to execution pursuant to subsection 1 or 2 includes exempt and nonexempt money, the judgment debtor may claim an exemption for the exempt money in the manner set forth in [NRS 21.112](#). To determine whether such money in the account is exempt, the judgment creditor must use the method of accounting which applies the standard that the first money deposited in the account is the first money withdrawn from the account. The court may require a judgment debtor to provide statements from the bank which include all deposits into and withdrawals from the account for the immediately preceding 90 days.

6. A financial institution which makes a reasonable effort to determine whether money in the account of a judgment debtor is subject to execution for the purposes of this section is immune from civil liability for any act or omission with respect to that determination, including, without limitation, when the financial institution makes an incorrect determination after applying commercially reasonable methods for determining whether money in an account is exempt because the source of the money was not clearly identifiable or because the financial institution inadvertently misidentified the source of the money. If a court determines that a financial institution failed to identify that money in an account was not subject to execution pursuant to this section, the financial institution must adjust its actions with respect to a writ of execution as soon as possible but may not be held liable for damages.

7. Nothing in this section requires a financial institution to revise its determination about whether money is exempt, except by an order of a court.

(Added to NRS by [2011, 1888](#))

NRS 21.112 Claim of exemption: Procedure; clerk to provide form and instructions; manner in which to object; burden of proof; release of property; debtor may not be required to waive.

1. In order to claim exemption of any property levied on pursuant to this section, the judgment debtor must, within 10 days after the notice of a writ of execution or garnishment is served on the judgment debtor by mail pursuant to [NRS 21.076](#) which identifies the specific property that is being levied on, serve on the sheriff, the garnishee and the judgment creditor and file with the clerk of the court issuing the writ of execution the judgment debtor's claim of exemption which is executed in the manner set forth in [NRS 53.045](#). If the property that is levied on is the earnings of the judgment debtor, the judgment debtor must file the claim of exemption pursuant to this subsection within 10 days after the date of each withholding of the judgment debtor's earnings.

2. The clerk of the court shall provide the form for the claim of exemption and shall further provide with the form instructions concerning the manner in which to claim an exemption, a checklist and description of the most commonly claimed exemptions, instructions concerning the manner in which the property must be released to the judgment debtor if no objection to the claim of exemption is filed and an order to be used by the court to grant or deny an exemption. No fee may be charged for providing such a form or for filing the form with the court.

3. An objection to the claim of exemption and notice for a hearing must be filed with the court within 8 judicial days after the claim of exemption is served on the judgment creditor by mail or in person and served on the judgment debtor, the sheriff and any garnishee. The judgment creditor shall also serve notice of the date of the hearing on the judgment debtor, the sheriff and any garnishee not less than 5 judicial days before the date set for the hearing.

4. If an objection to the claim of exemption and notice for a hearing are not filed within 8 judicial days after the claim of exemption has been served, the property of the judgment debtor must be released by the person who has control or possession over the property in accordance with the instructions set forth on the form for the claim of exemption provided pursuant to subsection 2 within 9 judicial days after the claim of exemption has been served.

5. The sheriff is not liable to the judgment debtor for damages by reason of the taking, withholding or sale of any property where a claim of exemption is not served on the sheriff.

6. Unless the court continues the hearing for good cause shown, the hearing on an objection to a claim of exemption to determine whether the property or money is exempt must be held within 7 judicial days after the objection to the claim and notice for a hearing is filed. The judgment debtor has the burden to prove that he or she is entitled to the claimed exemption at such a hearing. After determining whether the judgment debtor is entitled to an exemption, the court shall mail a copy of the order to the judgment debtor, the judgment creditor, any other named party, the sheriff and any garnishee.

7. If the sheriff or garnishee does not receive a copy of a claim of exemption from the judgment debtor within 25 calendar days after the property is levied on, the garnishee must release the property to the sheriff or, if the property is held by the sheriff, the sheriff must release the property to the judgment creditor.

8. At any time after:

(a) An exemption is claimed pursuant to this section, the judgment debtor may withdraw the claim of exemption and direct that the property be released to the judgment creditor.

(b) An objection to a claim of exemption is filed pursuant to this section, the judgment creditor may withdraw the objection and direct that the property be released to the judgment debtor.

9. The provisions of this section do not limit or prohibit any other remedy provided by law.

10. In addition to any other procedure or remedy authorized by law, a person other than the judgment debtor whose property is the subject of a writ of execution or garnishment may follow the procedures set forth in this section for claiming an exemption to have the property released.

11. A judgment creditor shall not require a judgment debtor to waive any exemption which the judgment debtor is entitled to claim.

(Added to NRS by [1971, 1497](#); A [1989, 1137](#); [1991, 456](#); [2011, 1899](#))

PROCEDURE FOR CLAIMING EXEMPT PROPERTY

If you believe that the money or property taken from you is exempt, you must complete and file with the clerk of the court an executed claim of exemption. A copy of the claim of exemption must be served upon the sheriff, the garnishee and the judgment creditor within 10 days after the notice of execution or garnishment is served on you by mail pursuant to [NRS 21.076](#) which identifies the specific property that is being levied on. The property must be released by the garnishee or the sheriff within 9 judicial days after you serve the claim of exemption upon the sheriff, garnishee and judgment creditor, unless the sheriff or garnishee receives a copy of an objection to the claim of exemption and a notice for a hearing to determine the issue of exemption. If this happens, a hearing will be held to determine whether the property or money is exempt. The objection to the claim of exemption and notice for the hearing to determine the issue of exemption must be filed within 8 judicial days after the claim of exemption is served on the judgment creditor by mail or in person and served on the judgment debtor, the sheriff and any garnishee not less than 5 judicial days before the date set for the hearing. The hearing to determine whether the property or money is exempt must be held within 7 judicial days after the objection to the claim of exemption and notice for the hearing is filed. You may be able to have your property released more quickly if you mail to the judgment creditor or the attorney of the judgment creditor written proof that the property is exempt. Such proof may include, without limitation, a letter from the government, an annual statement from a pension fund, receipts for payment, copies of checks, records from financial institutions or any other document which demonstrates that the money in your account is exempt.

IF YOU DO NOT FILE THE EXECUTED CLAIM OF EXEMPTION WITHIN THE TIME SPECIFIED, YOUR PROPERTY MAY BE SOLD AND THE MONEY GIVEN TO THE JUDGMENT CREDITOR, EVEN IF THE PROPERTY OR MONEY IS EXEMPT.

Answers about Garnishments

Are my Federal benefits automatically protected by my bank from a garnishment order, or do I have to do something to protect them?

As of May 1, 2011, if you received your benefits by direct deposit during the review period, a minimum amount of many Federal benefits are [automatically protected](#) from garnishment. The bank must allow you to withdraw any money in your account that is automatically protected from garnishment.

Up to two months of direct deposited Federal benefits may be automatically protected. The amount automatically protected will never be more than the account balance on the day of review.

For example, if you received \$3,000 in Federal benefit payments during the two month review period but your account balance is only \$1,000, the protected amount will be \$1,000.

If you have more money in your account than is automatically protected, the extra money is [not automatically protected](#).

For example, if you received \$3,000 in Federal benefits during the two month review period but your account balance is \$4,000, then only \$3,000 will be automatically protected.

June 2011

<http://www.helpwithmybank.gov/get-answers/bank-accounts/garnishments/faq-bank-accounts-garnishments-06.html>

Can Social Security payments be garnished?

[AARP](#) | Comments: 3

Yes, depending on the type of debt. Social Security benefits and [Social Security Disability Insurance](#) (SSDI) payments can be garnished to pay child support and alimony; court-ordered restitution to a crime victim; back taxes; and non-tax debt owed to a federal agency, such as student loans or some federally funded home loans.

There are limits on how much of your payment can be garnished:

- If you are in arrears on federal income taxes, in most cases the Internal Revenue Service can take no more than 15 percent of your monthly Social Security benefit.
- The garnishment rate for defaulted student loans is also 15 percent but, unlike with taxes, garnishment can't leave you with less than \$750 in benefits a month.
- If you are behind on court-ordered child support or alimony, the federal [Consumer Credit Protection Act](#) (CCPA) allows garnishment of up to 50 percent of your benefits if you are supporting a spouse or child apart from the subject of the court order and up to 60 percent if you are not. (Another 5 percent can be tacked on if you are 12 or more weeks in arrears.) Most states follow the CCPA, but some have their own regulations on how much of a debtor's income can be garnished; if there is a conflict, the lesser amount applies.

Social Security benefits are protected when it comes to private debt like medical costs, car loans and credit card bills. Creditors in such cases can get a court order to garnish money from your work paychecks or bank accounts, but federal law prevents them from touching Social Security benefits.

Keep in mind

- If you believe your benefits are being garnished in error, Social Security can't help you. You'll have to take it up with the government body that says you owe the money — for example, the IRS or the state court overseeing your child support.
- Garnishment protection is stronger for [Supplemental Security Income](#) (SSI). Payments under this Social Security-administered program cannot be garnished for private debt or for any of the reasons noted above.

<https://www.aarp.org/retirement/social-security/questions-answers/social-security-garnished/>

Direct Express® Debit MasterCard® Card Fee Table

Standard Free Services	
Service	Fee
Purchases at U.S. merchant locations	FREE
Cash-back with purchase	FREE
Automatic deposit notification**	FREE
Automatic low balance notification**	FREE
Web account access	FREE
ATM balance inquiry	FREE
ATM denial	FREE
Customer Service calls	FREE
Cash from bank tellers	FREE
Card replacement/One free per year	FREE
ATM cash withdrawal in the U.S., including the District of Columbia, Guam, Puerto Rico, and US Virgin Islands. Surcharge by ATM owner may apply.	One free withdrawal with each deposit to your Direct Express® Card Account.*

* For each federal government deposit to your Card Account, Comerica Bank will waive the fee for one ATM cash withdrawal in the U.S. The fee waiver earned for that deposit expires on the last day of the following month in which the deposit was credited to the Card Account.

** The customer can request this service upon receiving the debit card.

The ONLY Fees You Can Be Charged	
Optional Service	Fee
ATM cash withdrawals after free transactions are used in U.S., including the District of Columbia, Guam, Puerto Rico, and U.S. Virgin Islands. Surcharge by ATM owner may apply.	\$0.90 each withdrawal (after free transactions are used)
Monthly paper statement mailed to you	\$0.75 each month
Funds transfer to a personal U.S. bank account	\$1.50 each time
Card replacement after one free each year	\$4.00 after one (1) free each year
Expedited delivery of replacement card	\$13.50 each time
ATM cash withdrawal outside of U.S. Surcharge by ATM owner may apply.	\$3.00 plus 3% of amount withdrawn
Purchase at Merchant Locations outside of U.S.	3% of purchase amount

Look for these banks or brands to
make free ATM withdrawals using the
Direct Express® Card.



Sign Up Now!
It's quick and easy to get the
Direct Express® card:

• **Call our toll-free number:**
1-800-333-1795

• **Or visit our website at:**
www.USDirectExpress.com

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**Introducing the
Direct Express®
Debit MasterCard® Card**



**Sign up today for the
Direct Express®
Debit MasterCard® Card:**

- It's safe and easy to use
- No bank account is required
- You get immediate access to your money



With the Direct Express® Card, you can make purchases, pay bills and get cash.

THE DIRECT EXPRESS® DEBIT MASTERCARD® CARD

Experience the safety and convenience of getting your monthly benefits on a prepaid debit card.

THE DIRECT EXPRESS® CARD IS:

Safe. No need to carry large amounts of cash, no risk of lost or stolen checks.

Easy. Your money is automatically posted to your card account on your payment day each month. You won't have to wait for the mail to arrive.

Convenient. Make purchases and pay bills anywhere Debit MasterCard® is accepted. Use your card to get cash at retail locations, ATMs, banks and credit unions throughout the world. There are no fees for using the card to make purchases.

Recommended. The Direct Express® card is an easy electronic payment option recommended by the U.S. Department of the Treasury.

HOW DO I USE THE CARD?

The Direct Express® card is simple and easy to use.

To make purchases

Present your card when paying at any location that accepts Debit MasterCard®. The money is automatically deducted from your account. **There is no fee for using your card for purchases.**

To get cash

Get cash back for no fee with purchases at thousands of retail locations. Your card can also be used at ATMs or with bank and credit union tellers.

To pay bills

If your phone company, utility company, or landlord accepts Debit MasterCard®, you can use your card to pay bills over the phone or even online. (The company may charge a fee for phone payments so always ask first). To pay online, simply follow the company website's online bill payment instructions and have your card on hand.

It's quick and easy to sign up for the card.
Call the toll-free Direct Express® card hotline at 1-800-333-1795 or sign up online at www.USDirectExpress.com.

THE DIRECT EXPRESS® DEBIT MASTERCARD® CARD IS SECURE.

- If your card is lost or stolen, it will be replaced.*
- You will have a Personal Identification Number (PIN) to use at ATMs and retail locations.
- The money in your card account is FDIC-insured (up to the maximum allowed by law).
- MasterCard Zero Liability Protection** will protect you if someone uses your card without you knowing and you report it quickly.

*Certain limitations apply. If you report your card lost or stolen, a replacement card can be issued at your request.

**Certain restrictions apply. See www.mastercard.com/zeroliability for more details.

Please note: The U.S. Department of the Treasury will be moving to an all-electronic payment method after March 1, 2013. You must choose to receive your federal benefit payments by direct deposit to a bank or credit union account or to a Direct Express® Debit MasterCard® card.





CONSUMER FACTS: YOUR RIGHT TO KNOW

DIRECT EXPRESS® PREPAID DEBIT CARD FOR SOCIAL SECURITY, SSI AND OTHER FEDERAL PAYMENTS

Beginning May 1, 2011, most new applicants for Social Security, Supplemental Security Income and other federal payments who do not designate direct deposit will be paid through the Direct Express® Debit MasterCard instead of by a paper check. And as of March 1, 2013 *current* recipients (with limited exceptions) must also choose an electronic option for payments.

Is the Direct Express® Card better than a paper check? For those without bank accounts, the Direct Express® card has important benefits:

- **No check cashing fees.** Get cash free or for a small fee.
- **Receive money faster.** Funds will be available the day they are paid, without waiting for a check to arrive in the mail.
- **Convenience.** The card can be used anywhere a MasterCard debit card is accepted, including for telephone and online payments. Get cash from any bank, ATM or merchant who provides cash back.
- **Safety.** You don't need to "cash" the entire payment at once, and funds stored on the card are safer than cash. You are protected from theft if you report the theft promptly.
- **Record keeping.** Statements are available detailing your purchases.

However, you must protect your card by safeguarding the personal identification number (PIN), by reviewing your statements regularly, and by being aware of the fees for some services.

QUICK TIPS

- **Sign up for regular monthly statements.** It is worth \$0.75 cents/month to protect the card from unauthorized charges and to have a complete record of transactions.
- **Free cash.** One cash withdrawal is free per deposit at ATMs in the Direct Express® network. Withdrawals are also free inside at the teller window at any MasterCard member bank (most banks) or by asking for cash back from a purchase.
- **Sign up for free deposit and low balance alerts** by telephone, email or text message.

Frequently Asked Questions

How do I know how much money is on the card? You can call customer service or check the balance online or at an ATM for free. You can also sign up for free text, telephone or email messages to alert you when a deposit is made or your balance slips below an amount you pick.

Will I get a statement? You can view the last 90 days of activity online. You can sign up for a regular paper monthly statement for \$0.75/month or get one for free from time to time by calling customer service.

Is the money on the card safe? The funds are FDIC-insured. If the card or password is lost or stolen, you can get a replacement card or change the password. If someone makes an unauthorized charge, you are liable for no more than \$50 if you report the loss or theft within two business days of learning about it.

Can I get the Direct Express® Card if I have a bank account? Yes. Direct deposit into a bank account is better for those who want paper checks or use their account regularly, but the Direct Express® card may be better for people concerned about overdraft or other bank fees.

Is the Direct Express® Card better than the prepaid cards I can get from a check casher or another store? Yes. The fees on the Direct Express® card are generally much lower than the fees on other prepaid cards and the card comes with strong consumer protections. The Direct Express® card is not sold in private stores.

What if I still want a paper check? Paper checks are no longer an option except for a few people, including those 90 years or older or those who can document a disability. Check with the federal agency that makes your payment.

WHAT ABOUT FEES?

There is no sign-up or regular monthly fee for the card and minimal user fees.

Fee	Purpose
\$ 0.90	ATM withdrawals after the first free one per deposit, plus any surcharge from a non-network ATM
\$ 0.75	Automatic monthly paper statement
\$ 1.50	Automated telephone (IVR) transfers to another account
\$ 4.00	Replacement card after the first one each year
\$13.50	Expedited delivery of a replacement card
\$ 3.00	International ATM withdrawals
3%	Purchases or withdrawals in an international currency

Learn More

[U.S. Treasury Department's Direct Express Information](#)

[Direct Express Enrollment](#) (includes list of surcharge-free ATM locations) or call toll-free (888) 544-6347

INSTRUCTIONS FOR PREPARING, FILING, AND SERVING AN ANSWER IN JUSTICE COURT (Debt or Loan)

If you've been served with a Summons and Complaint in Justice Court and have been named as a defendant in the case, you have the option of preparing, filing, and serving an Answer in response to the Complaint. An Answer is your formal reply to the court and the plaintiff's attorney (or the plaintiff if he doesn't have an attorney). You must reply to each paragraph in the Complaint by admitting it, denying it, or denying it because you don't have enough knowledge or information to be able to admit it. You only have 20 days from the day you were served with the Summons and Complaint to file and serve your Answer. If you don't file an Answer with the court and serve a copy to the plaintiff's attorney (or the plaintiff, if he's unrepresented) within 20 days of the day you were served, then the plaintiff may obtain a default judgment against you.

WARNING: The filing of an Answer affects your legal rights. If you file an Answer, you have agreed that the court in which you file your Answer has good and proper jurisdiction over you to decide your case.

PART I - PREPARING YOUR ANSWER

An Answer form is attached to these instructions. The Answer form is intended to be used in a case involving a dispute over a consumer debt or loan and contains additional defenses for such a case. It also contains a form letter you can use to obtain written verification of the alleged debt. The information you provide on the form should be either typewritten or neatly handwritten in ink. The Answer form is also available on the Self-Help Center's website, www.clarkcountycourts.us/self-help.html, and can be downloaded from the website and filled out and printed from a computer.

- ☐ On page 1 of the Answer, start by completing your name (line 1), address (lines 2 and 3), and telephone number (line 4). You'll see on line 5 that you're designated as the "Defendant pro se." The "defendant" is the person defending the case. The phrase "pro se" lets the court know that you're defending yourself.
- ☐ On page 1, lines 7 to 13, complete the caption as it appears on the Complaint: plaintiff's name, defendant's name, case number, and department number. The case caption should remain the same throughout the case.
- ☐ On page 1, line 14, fill in the blank with your name. Notice again that you're designated as the defendant "pro se," which means that you're defending yourself in the case.
- ☐ In paragraph 1 of your Answer (line 16 on page 1), list the paragraph number of each paragraph in the Complaint that you ADMIT. If you "ADMIT" a paragraph, you're

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conceding that the facts and assertions contained in that paragraph are true and correct. Those facts and assertions will then be considered proved for purposes of the case. So, for example, if you ADMIT every allegation contained in paragraph 1 of the Complaint (in other words, if you concede that the facts and assertions in paragraph 1 are true and correct), put a “1” on line 16 of your Answer, and so on for any other paragraphs in the Complaint that you ADMIT.

- ☐ In paragraph 2 of your Answer (line 18 on page 1), list the paragraph number of each paragraph in the Complaint that you DENY. If you “DENY” a paragraph, you’re asserting that some fact or assertion in that paragraph is untrue or incorrect. Those facts and assertions will remain at issue in the case, and the plaintiff will be required to prove those facts and assertions if they’re necessary to his claim against you. So, for example, if you DENY any allegation against you contained in paragraph 1 of the Complaint (in other words, if some fact or assertion in paragraph 1 is untrue or incorrect), put a “1” on line 18 of your Answer, and so on for each of the remaining paragraphs in the Complaint that you DENY.
- ☐ In paragraph 3 of your Answer (line 20 on page 1), list the paragraph number of each paragraph in the Complaint that you don’t know how to respond to because you don’t have enough information or just don’t know. Any fact or assertion contained in those paragraphs will be considered denied, and the plaintiff will be required to prove those facts and assertions if they’re necessary to his case. So, for example, if you can’t either admit or deny the allegations in paragraph 1 of the Complaint because you don’t have enough information or just don’t know, put a “1” on line 20 of your Answer.
- ☐ In paragraph 4 (lines 24 to 27), you have the opportunity to provide an explanation to a specific paragraph in the Complaint. For example, if you dispute some but not all of the allegations in a particular paragraph, you can specify those parts of the paragraph that you ADMIT and those parts that you DENY. You can also make additional facts known to the court in response to a paragraph’s allegations. List the paragraph number(s) on line 24 and your explanation on lines 25 to 27.
- ☐ The next part of your Answer on page 2 is where you list your Affirmative Defenses. An “Affirmative Defense” is an argument or assertion of fact by the defendant that, if true, will defeat the plaintiff’s claim even if all of the allegations in the plaintiff’s Complaint are true. The Affirmative Defenses listed are those stated in Justice Court Rule of Civil Procedure 8(c). A summary explanation of each defense listed is included with these instructions. However, you may want to contact an attorney for a full explanation of the Affirmative Defenses and an analysis of whether a particular defense applies to your case.
- ☐ On page 3 of your Answer, lines 1 through 20, are additional Affirmative Defenses relating to the collection of a debt or loan that may be applicable to your case. A summary explanation of each defense listed is included with these instructions. However, you may want to contact an attorney for a full explanation of the additional

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Affirmative Defenses and an analysis of whether a particular defense applies to your case.

WARNING: If you file an Answer and fail to state an Affirmative Defense that you have, then you may forever be barred from raising that defense. Additionally, if you have a claim against the plaintiff that arises out of the transaction or occurrence that is the subject of plaintiff's lawsuit, then you must assert that claim as a "Counterclaim" in your Answer. Failure to do so may result in forever being barred from making that claim.

- ☐ You must date and sign your Answer on page 4, lines 11 to 15.
- ☐ The bottom of page 4 of your Answer contains the Certificate of Mailing. Provide the name and address for the plaintiff's attorney (or the plaintiff if he does not have an attorney) on lines 21 to 25. You can find this information on the top of page 1 of the Complaint. By dating and signing the Certificate of Mailing, you are telling the court that you have served a copy of your Answer to the plaintiff (if the plaintiff is unrepresented) or plaintiff's attorney (see Part II - Serving & Filing Your Answer).
- ☐ Before filing your Answer with the court, make at least four (4) copies.

PART II - SERVING & FILING YOUR ANSWER

After completing your Answer, you must serve the plaintiff's attorney (or plaintiff directly if he has no attorney) with a copy of your Answer by mail. You will find the attorney's address on the first page of the Complaint. You must mail a copy to the plaintiff's attorney on the same date that you filled in on the Certificate of Mailing on page 4, line 18, of your Answer.

Next, take your original Answer and the remaining copies to the clerk of the Justice Court in which the plaintiff's Complaint was filed. The filing fee in Justice Court is \$71.00. Remember, your Answer is not official until it is filed. Be sure to go to the clerk in the same court in which the Complaint was filed. The clerk will file stamp your Answer and all of the copies. The clerk will then keep the original and at least two copies.

If you're unable to afford the filing fee, Nevada law allows you to ask the court to waive your filing fee. Waiving the filing fee is at the judge's discretion. If you want the court to waive your filing fee, complete a fee waiver form. You can obtain a fee waiver form at the Self-Help Center or on the Center's website, www.clarkcountycourts.us/self-help.html.

PART III - WHAT HAPPENS AFTER I FILE MY ANSWER?

What happens after you file your Answer may depend on the admissions or denials you made in your Answer. Among other things, the plaintiff's attorney might serve you with a Motion for Summary Judgment, a Motion for Judgment on the Pleadings, or a Motion for Discovery. For more information or for the proper form to use for an opposition to any of these

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motions, you should contact an attorney or visit the Self-Help Center or its website,
www.clarkcountycourts.us/self-help.html.

If you believe you owe the amount alleged in the Complaint and wish to begin repaying it, you may be able to establish a repayment plan with the plaintiff's attorney. Keep in mind, however, that the plaintiff's attorney might have you sign a Confession of Judgment or Stipulation and Order for Judgment. Before agreeing to or signing any document, it is advisable to consult an attorney. You should carefully read the terms of the agreement including the rate of interest, attorney's fees provision, payment schedule, and terms of default. Remember that if you default on a payment plan, a judgment could be filed with the court and your wages and bank account could be garnished.

PART IV – VERIFY THE VALIDITY OF THE DEBT

The Complaint that you received might well have contained a notice stating that you have 30 days to dispute the validity of the debt at issue in the case. A federal law called the Fair Debt collection Practices Act requires that such a notice be given the first time a collection agency (or attorney) contacts a person to collect a debt.

Included with this packet is a form letter that you can send to the creditor (or attorney) to dispute the validity of the debt or any part of the debt. You should send this letter by certified mail. Be sure to keep a copy of the letter for your records. In response to the letter, the collection agency (or attorney) must then obtain verification of the debt and provide you with copies of that verification.

For more information about your rights when dealing with collection agencies, you can visit the Federal Trade Commission's website at www.ftc.gov.

ANSWER CHECKLIST

- ☐ Filled out Answer
- ☐ Made 4 copies of Answer
- ☐ Mailed copy of Answer to plaintiff's attorney (on the date that was filled out on the Certificate of Mailing)
- ☐ Filed Answer with the court

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AFFIRMATIVE DEFENSES

An “Affirmative Defense” is an argument or assertion of fact by the defendant that, if true, will defeat the plaintiff’s claim even if all of the allegations in the plaintiff’s Complaint are true. The following are very general definitions for the Affirmative Defenses set forth in Justice Court Rule of Civil Procedure 8(c). If you have questions regarding an Affirmative Defense or how it might apply to your case, you should consult with an attorney.

Accord and Satisfaction – This defense might apply if the parties agreed to give and accept something to settle the claim that’s being argued about in the lawsuit, and then they performed that agreement. It might apply, for example, if plaintiff agreed to settle the claim for a lower amount than he’s suing for, and defendant paid the lower amount to plaintiff. The “accord” is the new agreement, and the “satisfaction” is performance of the new agreement.

Arbitration and Award – This defense might apply if the same thing that is being argued about in the lawsuit has already been decided by an arbitrator in an arbitration. An “arbitration” is a sort of mini-trial, less formal than a court proceeding, where the parties present their case to an arbitrator, who then makes a decision.

Assumption of the Risk – This defense might apply if plaintiff suffered some personal injury as the result of an action he took, but plaintiff knew of the possible risk of harm beforehand and chose to go forward with the action anyway. Generally, a person can’t recover for an injury he received when he voluntarily exposed himself to a danger that he knew about and appreciated.

Contributory Negligence -- This defense might apply if plaintiff suffered some personal injury, but contributed to his own injury by being negligent along with the defendant who caused the injury.

Discharge in Bankruptcy – This defense might apply if defendant filed bankruptcy, and the claim that defendant is being sued for was included in the bankruptcy and “discharged” by the bankruptcy court.

Duress – “Duress” means compelling someone to act against his wishes or interests by force, false imprisonment, or threats. This defense might apply, for example, where force was used to get someone to sign a will or agreement, in which case a court could declare the will or agreement void.

Estoppel – “Estoppel” means that if plaintiff made a statement relating to the thing being sued for, and defendant relied on that statement to his injury, then the court might prevent plaintiff from taking some position different than the statement he first made. For example, in a case filed by a landlord to recover rent, if the landlord told the tenant that no rent would be charged for each month the tenant performed work at the apartment complex, and if the tenant actually performed the work, the court might find that the landlord was “estopped” (or precluded) from claiming he was entitled to rent for every month of the lease.

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Failure of Consideration – “Failure of consideration” means that the thing that plaintiff is seeking payment for in his lawsuit has lost all of its value and become worthless or has ceased to exist. This defense might apply if, for example, plaintiff never performed the services he’s suing for, or if the product purchased from plaintiff is completely defective.

Fraud – “Fraud” means an intentional misrepresentation, deception, or concealment of an important fact, made with the intent to deprive another person of his rights or property or to otherwise injure another person. For example, if a car dealer sold a car and told the buyer that the car was a 2009 model in pristine condition, but the dealer actually knew that the car was a 2001 model that had been repeatedly wrecked, the dealer might be guilty of fraud.

Illegality – This defense might apply if the contract at issue in the case requires a party to perform an illegal act or to violate the law, in which case the contract might be unenforceable.

Injury by Fellow Servant – This defense might be used by an employer who is being sued by an employee for some personal injury the employee suffered on the job, where the injury to the employee was actually caused by the negligence or misconduct of another employee (i.e., a “fellow servant” of the injured employee).

Laches – This defense might apply if plaintiff failed to act promptly to enforce his rights. If plaintiff waited a long time to file a lawsuit, without having a good reason for the delay, and the delay has made it harder for defendant to defend the case, “laches” might apply to bar plaintiff’s lawsuit.

License – This defense might apply if defendant received permission from plaintiff or some other authority to take the action that plaintiff is now suing over, which action would have been unlawful if defendant had not received permission. For example, plaintiff might not be able to recover against defendant for trespass if plaintiff gave defendant permission (or “license”) to enter his property.

Payment – This defense might apply if the payment at issue in the lawsuit has already been made (or the promise fulfilled or the agreement performed).

Release – This defense might apply if plaintiff has made some written or oral statement discharging (or “releasing”) defendant from the payment, obligation, or duty that is the subject of plaintiff’s lawsuit.

Res Judicata – “Res judicata” literally means a thing that has already been judicially decided. This defense might apply if plaintiff’s claim in his current lawsuit has already been decided by a court in a previous lawsuit and a final judgment has been entered.

Statute of Frauds – The “statute of frauds” is a law that requires many different types of contracts to be in writing. This defense might apply if the parties have no written contract and the “deal” that plaintiff is suing on relates to the sale of goods priced over \$500, or the sale of

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land, or the guaranty of someone else's debt, or some service or obligation that couldn't be performed within one year.

Statute of Limitations – The “statute of limitations” is a law that sets the maximum time periods during which certain claims can be brought or rights enforced. If plaintiff files his complaint after the time period set out in the statute has past, the court might dismiss plaintiff's complaint and find that it's barred by the statute of limitations.

Waiver – This defense might apply if plaintiff has knowingly given up some right or if plaintiff's actions could lead the court to believe that he's given up that right. For example, if an apartment lease requires payment of rent on the first of every month, but the landlord has always allowed the tenant to pay on the fifteenth of every month, a court might find that the landlord has “waived” his right to enforce the lease's requirement that rent be paid on the first.

ADDITIONAL POTENTIAL AFFIRMATIVE DEFENSES

Failure to State a Claim – Every lawsuit must have at least one claim. A “claim” is a legal theory upon which a lawsuit can be based and which -- if all the elements of the claim are proven -- provides the basis for a court to award damages. Each claim has certain parts that must be written in the complaint and proved at trial. This defense might apply if you think the plaintiff has failed to include a necessary part of his claim in his Complaint.

Unconscionability – If something is “unconscionable,” it is so outrageous that it literally “shocks the conscience.” If a court finds that a term of a contract is unconscionable, the court can invalidate the term and refuse to enforce it. The court might require the term to be procedurally unconscionable (which means that the party signing the contract didn't have a meaningful opportunity to agree to the term because of unequal bargaining power or because the term's operation wasn't clear) and substantively unconscionable (which means that the term is completely one-sided).

Late Charges Void as Penalty – This defense might apply if the late charges plaintiff is claiming in the lawsuit don't bear any relation to the damages plaintiff actually suffered and, in reality, are a penalty meant to punish defendant. The parties to a contract can include a provision that awards a set amount of money if one party breaches, which is intended to compensate the party that didn't breach for his actual losses. These provisions are called “liquidated damages” provisions, and they're typically enforceable unless the amount of money to be paid is so disproportionate to any actual loss that it amounts to a “penalty” intended to punish the party that breached the contract.

Setoff and Offset – This defense might apply if plaintiff owes defendant money, or plaintiff failed to credit defendant for money already paid. If Plaintiff owes Defendant money, Defendant may be able to apply that money to reduce (“offset”) the amount that Defendant owes to Plaintiff.

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Offset for Violation of FDCPA – The Fair Debt Collection Practices Act is a federal law that requires collection agencies to provide written notice and verification of a debt that meets certain requirements. If plaintiff is a collection agency (or attorney) and has violated the Act, it could be liable to defendant for damages. Defendant might be able to apply those damages to reduce (“offset”) the amount of money he owes to plaintiff.

Military Service – This defense might apply if defendant is or was an active member of the military. The Servicemembers Civil Relief Act is a federal law that provides a wide range of protections for individuals entering the military, called to active duty, or deployed. It may postpone, suspend, or modify certain civil obligations, including the amount of interest that can be charged on a debt.

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(NAME)

(STREET ADDRESS)

(CITY, STATE ZIP CODE)

(DATE)

(CREDITOR OR ATTORNEY'S NAME)

(STREET ADDRESS)

(CITY, STATE ZIP CODE)

Re: _____
(CASE NUMBER OR ACCOUNT NUMBER)

To whom it may concern:

Please be advised that I am disputing this debt. Please provide written verification of the validity of this debt by forwarding the name and address of the original creditor and all contracts, correspondences, billing records, payment histories and notices to the above address.

This request has been made pursuant to the Fair Debt Collection Practices Act and failure to comply will be considered a violation of federal law under 15 U.S.C. § 1692.

Additionally, Nevada law requires that a collection agency obtain or attempt to obtain from the creditor any document that is not in the possession of the collection agency and is reasonably responsive to the dispute of the debtor, and mail the document to the debtor.

Thank you for your immediate attention to this matter.

Sincerely,

Defendant Pro Se

via certified mail # _____

IF YOUR GROSS INCOME IS MORE THAN \$770.00/WEEK

MAXIMUM GARNISHMENT OF DISPOSABLE EARNINGS UNDER NORMAL CIRCUMSTANCES* BASED UPON 50 TIMES THE FEDERAL WAGE FOR THE \$7.25 MINIMUM WAGE			
Weekly	Biweekly	Semimonthly	Monthly
\$362.50 or less: NONE	\$725.00 or less: NONE	\$785.42 or less: NONE	\$1570.83 or less: NONE
More than \$362.50 but less than \$483.33: Amount ABOVE \$362.50	More than \$725.00 but less than \$966.67: Amount ABOVE \$725.00	More than \$785.42 but less than \$1,047.22: Amount ABOVE \$785.42	More than \$1,570.83 but less than \$2,094.44: Amount ABOVE \$1,570.83
\$483.33 or more: MAXIMUM 25%	\$966.67 or more: MAXIMUM 25%	\$1,047.22 or more: MAXIMUM 25%	\$2,094.44 or more: MAXIMUM 25%

* These restrictions do not apply to garnishments for child and/or spousal support, bankruptcy, or actions to recover state or federal taxes.

Adapted from:
U.S. Department of Labor
Employment Standards Administration Wage and Hour Division
Fact Sheet #30: The Federal Wage Garnishment Law,
Consumer Credit Protection Act's Title 3 (CCPA)

This fact sheet provides general information concerning the amount that may be withheld from a person's earnings under the CCPA and/or state law, the law's protection from termination because of garnishment for any single debt.

See also: Nevada Revised Statute 21.090(1)(g)

Income Guidelines for Legal Aid Center of Southern Nevada, Inc.

Client Income Eligibility Standards

Clients will be eligible for LEGAL AID CENTER services if their income and number of people in their household conform to the following guidelines:

People in Household	Max. Yearly Income	Max. Month Income
1	\$27,390	\$2,284
2	\$31,350	\$2,613
3	\$35,255	\$2,938
4	\$39,160	\$3,263
5	\$42,295	\$3,525
6	\$45,430	\$3,788
7	\$48,565	\$4,046
8 (& above)	\$51,700	\$4,309

Prospective clients should also not have more than \$5,000 in net assets other than one motor vehicle and/or work related equipment.

Revised and effective January 1, 2019.