

SUMMARY OF COLLECTION LAWS

It is of the highest importance to The General Bar, Inc. that we provide you with quality information for your reference. The following chart is intended to be a quick reference, not legal advice. It may not reflect the most up-to-date information on federal statutes or the laws of all states.

We have contacted General Bar law firms in every state in order to update the following summary of state laws pertaining to the collection industry, however, changes often occur subsequent to publication. Please contact our listed attorneys to provide you with professional counsel and the most current information.



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SUMMARY OF COLLECTION LAWS

The following Summary is intended as a quick reference to the subjects covered. It does not reflect Federal Statutes, and it may not reflect amendments to the laws of all states. This chart should not be construed as legal advice and readers should not act upon the information contained in it without professional counsel.

| LOCATION | STATUTE OF LIMITATIONS | | | | STATE INTEREST RATE | | BAD CHECK LAWS | GENERAL GARNISHMENT EXEMPTION Federal law exempts from garnishment 75% of disposable earnings per work week or an amount equal to 30 x fed. min. hourly wage, whichever is greater. State laws are listed below, but where fed. law provides larger exemption, it supersedes state law. |
|----------------------|------------------------|----------------------------|--|--|--|--|--|--|
| | Open Accounts Years | Contracts In Writing Years | Domestic Judgments Years | Foreign Judgments Years | Legal Rate | Judgment Rate | | |
| UNITED STATES | | | | | | | Civil Penalty | |
| ALABAMA | 3 | 6-10 | 10 | 20 | 7.5% | 7.5% | Greater of \$10 or actual bank charges. | 75% of wages. |
| ALASKA | 5 | 3 UCC 4 Pos 1 | 10 (renewable) (Consult local atty. for further details) | 10 (renewable) (Consult local atty. for further details) | 5% over fed. discount rate or 10%, whichever is greater, on loans under \$25,000. No limit on loans over \$25,000. | 3 points over fed. discount rate (changes every Jan. 2nd) | Damages in amount equal to \$100 or triple the amount of the check whichever is greater (but no more than \$1,000 over the amount of the check). | \$473/wk. or \$743/wk. if earnings are sole household support, or 75% of net wages, whichever is greater. |
| ARIZONA | 3 | 6 | 10 | 4 or period in foreign state if less | Prime + 1% | Prime + 1% | \$50 or twice the amount of check, costs of suit, reasonable attorney fees. | See federal law. 25% of non-exempt earnings, but judge may limit amt. available for garnishment of earnings to 15% of take home pay. \$150 exemption for garnishment of bank accounts of individuals only. |
| ARKANSAS | 3 | 5 | 10 (renewable) | 10 (renewable) | 6% if not stated within the contract or up to 17% if stated. | Contract rate or fed. primary credit rate in effect on the date of judgment plus 2%, whichever is greater. | Twice amount of check – prior to double charge – can start out with \$25 charge per NSF check after 30 days. | See federal law. \$200/wk. single person, \$500/wk. head of household if greater than federal exemption. Homestead exemptions: 1/4 acres plus home (urban); 80 acres plus home (rural). |
| CALIFORNIA | 2 | 4 | 10 | 10 | 10% | 10% or contractual | Amount due, treble damages – min. \$100 max. \$1,500 per check. | 75% of wages. Remaining 25% is subject to state and federal as well as debtor's claim of exemption, which may be filed at any time after wage levy. After bank levy, claim of exemption must be filed within 10 days or exemptions waived. |
| COLORADO | 3 | 6 UCC 3 | 6 (district court 20) | 6 (district court 20) | 8% | 8% or contractual | Treble damages and reasonable attorney fees. | See federal law and C.R.S. 13-54-101 and 102. |
| CONNECTICUT | 3 | 6 | 20 | 20 | 6% | 10% (court discretion) | Personal liability of signatory on corporate claims unless signed in corporate capacity. Liability of drawer, if no account, equal to lesser of \$750 or face amount. For insuff. funds, lesser of \$400 or face amount. | Greater of 25% of disposable earnings for the week, or 40 x fed. min. hourly wage. |
| DELAWARE | 4 | 3 | 10 | 10 | 5% above the fed. discount rate plus applicable surcharge | Legal rate or contract rate | N/A | May not exceed 15% of disposable earnings or reduce disposable earnings to less than \$150 a week. |
| DISTRICT OF COLUMBIA | 3 | 3 | 12 | 12 | 3% or contractual | 2% or contractual | Amount due – protest fees. | See federal law. |

Out-of-state collectors may be able to obtain limited license or may bypass license requirement. Call collection agency administrator.

SUMMARY OF COLLECTION LAWS (continued)

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| UNITED STATES | | | | | | | | |
| FLORIDA | 4 | 5 | 20 (must be renewed every 10) | F.S. 855.501 et seq. | 4.75% (reviewed quarterly) | 6.09% (reviewed quarterly) | Face value of check plus \$25-\$40 depending upon amount of check, or 5% of value, whichever is greater. If suit required, after 30 day demand, treble amount in addition to amount owed, bank & court costs & reasonable attorney fees. | Procedure pursuant to F.S. 8-77. Exemptions pursuant to F.S. 8-222. |
| GEORGIA | 4 | 6 | 7 | 7 | 7% | Prime +3% | After 10 day written demand double damages up to \$500 + greater of \$30 service charge or 5%. | See federal law. |
| HAWAII | 6 | 6 | 10 | As long as still valid. | 10% | 10% | Damages equal to \$100 or triple amount of check, not to exceed \$500. | 95% of first \$100, 90% of next \$100 and 80% of wages in excess of \$200 per month, or equivalent per week. |
| IDAHO | 4 | 5 | 5 (before 7/1/15) 10 (after 7/1/15) | 5 (renewable) | 12% | 5.25% (changes annually) | Triple amount of check (min. \$100) up to \$500 over the check amount. | See federal law. |
| ILLINOIS | 5 | 10 | 7 | 21 (once domesticated) | 5% | 9% | Triple check amount up to \$1,500, attorney fees and court costs. Statute of limitations: 3 years. | Lesser of 15% of gross wages or disposable earnings, up to 45 x fed. min. hourly wage. |
| INDIANA | 6 | 10 | 20 | 10 | 8% or contractual | 8% or contractual | Triple check amount up to \$500 over check amount, + attorney fees & interest up to 18% per annum or triple check amount + attorney fees & interest at judgment rate & costs. | 25% of disposable earnings or 30 x fed. min. hourly wages, whichever is greater. |
| IOWA | 5 | 10 | 20 | 20 | Floating rate per T-Bill under Iowa Code 668.13 | Floating rate per T-Bill under Iowa Code 668.13 | Greater of 5% or \$20. | See Iowa Code, chapter 627. |
| KANSAS | 3 | 5 | 5 (renewable) | 5 (renewable) | 4.42% | 4.75% | Triple check amount not exceeding the check amount by \$500 or \$100 whichever is greater plus attorney fees & court costs plus amount of check. | See federal law. |
| KENTUCKY | 5 | 15 | 15 | 15 | 6% | 12% | N/A | See federal law. |
| LOUISIANA | 3 | 10 | 10 | 10 | 5% | 3.5% | After 30 day written demand twice check amt., atty. fees & court costs. | See federal law. |
| MAINE | 6 | 6 UCC 4 | Perpetuity (renewal required) | 20 (presumed paid) | T-Bill + 3% or contractual | T-Bill + 6% or contractual | Amount due, court costs, service costs and collection costs. | Greater of 75% disposable earnings for week, or disposable earnings over 40 x fed. min. hourly wage. Wages due for wife's or child's personal service. In trustee process, 100% |

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SUMMARY OF COLLECTION LAWS (continued)

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| UNITED STATES | | | | | | | Civil Penalty | |
| MARYLAND | 3 | 3 12 (under seal) | 12 | 12 | 6% | 10% or contractual | After 30 day written notice, amount due, \$25 fee, twice check amount up to \$1,000 (at the discretion of the court). Applies to COD sales only. | Greater of 75% or amount equal to \$145 x no. of weeks in which wages due were earned, except in Carolina, Worcester, Kent & Queen Anne's counties, see federal law. |
| MASSACHUSETTS | 6 | 6 | 20 | 20 | 12% | 12% or contractual | Amount due, costs of suit, protest fees. Additional damages of \$100-\$500 can be assessed. | Greater of 85% of debtors gross wages or 50 times more than Federal or MA hourly min. wage per week. |
| MICHIGAN | 6 | 6 | 10 (renewable) | 10 | 5% (7% if in writing) | T-Bill +1% | Face amount of check plus service charges, or \$100 per check, whichever is greater plus costs of \$250. | See federal law. |
| MINNESOTA | 6 | 6 (UCC 4) | 10 (3 for agriculture) | 10 | 6% or contractual | 4% (10% of judgment over \$50,000) | \$100 or up to 100% of the value of check, whichever is greater, + interest at the rate payable on judgments on the face amount of check + reasonable attorney fees if aggregate amount of checks within 6 mo. period is over \$1,250 + service fee not to exceed \$30. | See federal law. |
| MISSISSIPPI | 3 | 3 | 7 | 7 (3 if def. was MS resident when instituted) | 8% | Amount in contract or judgment | Up to and including \$25, additional damages 100%. \$25.01-\$200 additional damages 50% but not less than \$25. Over \$200, 25%. | See federal law. |
| MISSOURI | 5 | 8 | 10 | 10 | 9% | 9% | Three times face amount owed up to \$500, plus plus reasonable atty. fees. | See federal law, except 90% of week's net pay, head of household, single person with no dependents 75%. |
| MONTANA | 5 | 8 | 10 | 10 | 10% or contractual | Changes each year – bank rate plus 3% as of Jan. 1, 2019. | Service charge plus greater of \$100 or 3 times amount of check, but no more than \$500. | Maximum subject to garnishment is the lessor of the amt. by which his disposal earnings exceed 30% of fed. min. wage, or 25% disposable earnings. |
| NEBRASKA | 4 | 5 | 5 (renewable) | 5 | Contract rate or judgement rate. | 2% above T-Bill | Amount due, costs, protest fees. | Greater of 75% disposable earnings (85% if head of household) or 30 x fed. min. hourly wage. |
| NEVADA | 4 | 6 | 6 | 6 | Contractual or 2% over prime. Adjusted every Jan. 1 and July 1. | Contractual or 2% over prime | Amount due, protest fees three times check amount not more than \$500, or less than \$100. | No more than 18% of disposable earnings less than \$770 per wk. (25% for over \$770 per wk.), or 50 x fed. min. hourly wage, whichever is less. |
| NEW HAMPSHIRE | 3 | 3 | 20 | 20 | 2.1% | 3% simple (may vary each year) | Amount due, interest, court costs, reasonable attys. fees and \$10 per business day (max. \$500). | 50 x fed. min. hourly wage. |

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SUMMARY OF COLLECTION LAWS (continued)

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| UNITED STATES | | | | | | | | |
| NEW JERSEY | 3 | 6 | 20 | 20 (or period in foreign state if less) | Up to 30% or contractual | Changes yearly. | Face amount of check plus 3x face value, not to exceed \$500. | \$217.50 wk. min. |
| NEW MEXICO | 4 | 6 | 14 | 14 | 15% | 8.75% or contractual | Amount due, triple damages up to \$500 per check. Req. must be met. | Greater of 75% or amount each week equal to 40 x fed. min. hourly wage. |
| NEW YORK | 3 | 6 (work & labor) 4 (goods) | 20 (renewable) | 20 (renewable) | 9% | 9% | Face value plus two times check amount up to a max. of \$400 on NSF or \$750 on "no account" GEN-OB.1.1-104. | 90% of earnings. Weekly wage must exceed greater of 30 x federal min. hourly wage or 30 x state min. hourly wage. |
| NORTH CAROLINA | 3 | 3 (unless under seal) | 10 | 10 | 8% | 8% | 30 day written demand lesser of \$500 or three times check amount, but not less than \$100. | Garnishment not available in NC. |
| NORTH DAKOTA | 6 | 6 | 10 (renewable) | 10 (renewable) | 6% | 6.5% | Amount due, collection fees of \$35 and civil penalty by civil action for lesser of \$200 or three times check. | 75% disposable earnings for work week, or amount equal to 40 x fed. min. hourly wage, whichever is greater, plus \$20 ea. dependent in household. |
| OHIO | 6 | 6 | 5 (renewable) | 5 (renewable) | 1% above short term rate | 3% (reviewed annually) | The greater of \$200 or three times the amount of the check and attorney fees (no max.). | See federal law. The first \$500 of a bank attachment is exempt. |
| OKLAHOMA | 3 (UCC 5) | 5 | 5 (renewable) | 5 (renewable) | 6% or contractual | 5.25 (reviewed annually) | N/A | 75% of earnings exempted, more if hardship established. All federal exemptions apply. |
| OREGON | 6 | 6 | 10 (renewable) | 10 (renewable) | 9% | Statutory + Judgment: 9% or contractual | Can recover reasonable attorney fees & statutory damages of three times the amount of the NSF check or \$500 if demand letter is sent to debtor 30 days before suit is filed. | 75% of disposable earnings over and above minimum wage. |
| PENNSYLVANIA | 4 | 4 | 5 | 4 | 6% | 6% (unless approved by the court) | \$100 or three times the amt. of the check, whichever is greater (not to exceed check amt. by \$300), plus interest. | General monetary exemption of \$300 is available. |
| PUERTO RICO | 5 | 15 | 15 | 15 | 4.25% (changes every 6 months) | Regulated by Board of Financial Institutions | Please refer to Penal Code. | 75% of last 30 days' earnings for family support. |
| RHODE ISLAND | 10 | 10 | 20 | 20 | 12% | 12% | Amt. of check, \$25 fee and treble damage up to \$1,000. | See federal law. |
| SOUTH CAROLINA | 3 | 6 (lease 4) | 7 | 7 | 8.75% | 7.25% (changes annually) | Reasonable court costs, amount of check and damages up to \$500 or three times check amount whichever is smaller. | Garnishment not available in SC. |

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| UNITED STATES | | | | | | | | |
| SOUTH DAKOTA | 6 | 6 | 10 (renewable) | 10 | 10% or contractual | 10% | N/A | 20% of disposable earnings. |
| TENNESSEE | 3 | 6 (UCC 4) | 10 | 10 | 10% or contractual | 5.25% | Amount of check, plus 10% interest and reasonable service charges, attorney fees & court costs, or treble damages up to \$500 plus fees & costs. | See federal law. Add \$2.50 per week for dependent child under 16. |
| TEXAS | 4 | 4 | 10 (renewable) | 10 (renewable) | 18% with contract 6% without contract | 5% or contractual | N/A | 100% of wages but there are exemptions. 100% of homestead but varies by acreage. |
| UTAH | 4 | 6 | 8 | 8 | 10% or contractual | 2.09% or contractual | Certified statutory bad check notice must be sent. Amount due, interest, court costs, reasonable attorney fees, plus damage equal to or greater of \$100 or three times check amount (not to exceed check amount plus \$500). | \$217.50 of disposable earnings for wages paid weekly. Garnishment amount is capped at 25% of disposable wages. |
| VERMONT | 6 | 6 | 8 | 8 | 12% | 12% | Lesser of \$250 or 3x amount of check, plus legal interest, return fee, \$50 service charge & atty. fees. | 75% of earnings above min. wage. or what is necessary to live. 85% if personal, family, or house held debt. |
| VIRGINIA | 3 | 5 | 10 | 10 | 6% | 6% | Lesser of \$250 or 3x amount of check, plus legal interest, return fee, \$50 service charge & atty. fees. | See federal law. |
| WASHINGTON | 3 | 6 | 10 (renewable) | Good for as long as originating state | 12% | 12% | Interest rate specified in instrument or, if no specified rate, 12% interest plus collection costs up to \$40. If taken to court, reasonable attorney fees, three times value of check up to \$300. | 75% of disposable earnings, or 35 x fed. min. hourly wage, whichever is greater. |
| WEST VIRGINIA | 5 | 10 | 10 | 10 | 7% or contractual | 4.5% (changes annually) | Amount due, service charge up to \$10. If check under \$500, misdemeanor. Over | 20% of disposable income or 30 x fed. min. hourly wage, whichever is less. Other exemptions apply. |
| WISCONSIN | 6 | 6 | 20 | 20 | 5% | 1% over prime | Face amount of check plus exemplary damages and reasonable attorney fees not to exceed \$500 per check. | 20% of net pay for up to 13 weeks. |
| WYOMING | 8 | 10 | 5 | 5 | 7% | 10% or contractual | Three times amt. of check but not less than \$100 plus collection fee of \$30. | See federal law. Up to 65% for child support arrearage. |

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