



Senate Commerce and Consumer Protection Committee  
Committee Administrator Bill Lunzer [bill.lunzer@senate.mn](mailto:bill.lunzer@senate.mn)

Dear Senate Commerce and Consumer Protection Committee Members,

The Access to Justice Committee at the Minnesota State Bar Association (MSBA) is dedicated to advancing solutions that help all people, and particularly people with lower incomes or limited access to legal assistance, obtain the legal help and resources they need to receive equal justice. We do this work by convening a wide range of attorneys, experts, and leaders representing all sectors of the legal community from across Minnesota to advance initiatives that increase access to justice.

The Access to Justice Committee has taken a position in strong support for Section 28 of the Minnesota Debt Fairness Act HF4100/SF4065, which protects a minimum balance in a consumer's bank account from seizure.

Our Committee released a report in October 2023 that focused on Minnesota Consumer Debt Litigation. The report found that consumer debt court cases make up the majority of civil (non-criminal) cases in Minnesota's court system. For many Minnesotans a consumer debt case is their first experience with the courts and almost all of them attempt to navigate these matters without the help of an attorney.

Among the report's recommendations was to enact legislation to protect a minimum amount of money in a consumer's bank account, as Section 28 seeks to do. This was a result of research that found bank account seizures receive much less court oversight in Minnesota than in other states. Emptying a person's bank account leaves them vulnerable to eviction, job loss due to inability to pay for transportation or childcare, and falling further behind on other debts. In addition, the report found that Black and Latino Minnesotans are sued at much higher rates than their white counterparts, further exacerbating the many racial disparities seen in our state.

We heard from those who help litigants in debt that bank accounts are often cleared to a zero balance, even though the person may qualify for an exemption. While litigants can assert exemptions, it takes up to six weeks to reverse an erroneously zeroed-out bank account, which can be disastrous for the lowest-income people in our communities.

We seek a mechanism to prevent low-income Minnesotans from falling further behind and into poverty while they repay what they owe to creditors. We believe Section 28 will be a step forward. We also believe this section will help blunt some of the more extreme effects of racial disparities in the justice system.

The Access to Justice Committee is happy to provide more information about this report at your request. We appreciate your consideration of the Committee's position.

Sincerely,

A handwritten signature in black ink, appearing to read "Veena Iyer".

Veena Iyer, Co-Chair  
Access to Justice Committee of the MSBA

A handwritten signature in red ink, appearing to read "Kiri Somermeyer".

Kiri Somermeyer, Co-Chair  
Access to Justice Committee of the MSBA