

The Minnesota Debt Fairness Act

Minnesotans work hard and play by the rules. However, challenges can come up in people’s lives that cause them to fall behind on their debt – things like a severe illness or injury, the loss of a job, divorce, unexpected auto bills, and so much more.

We all agree that people should pay back what they borrow. We should also agree that a debt collection system which makes that harder and actually drives people deeper into debt is not doing anybody any good. Unfortunately, Minnesota’s debt collection system is broken in some critical ways.

The Minnesota Debt Fairness Act aims to correct the flaws in that system, making it fairer and easier for Minnesotans to work their way out of debt.



Medical Debt



The Problem

Medical debt is automatically transferred between married couples. Loving couples facing serious illnesses can even be forced into divorcing to protect one another from medical debt.

The Solution

Stop automatically transferring medical debt to a patient’s spouse. No other kind of debt can be transferred between married couples automatically.

The Problem

Medical providers can deny care due to outstanding medical debt. Nobody should delay or be refused important medical care because they are struggling with expensive medical bills they did not want.

The Solution

Ban medical providers from refusing to care for someone with outstanding bills. This common-sense measure will save lives.

The Problem

Medical debt is destroying Minnesotans’ credit. Medical debt is not like other debt. It’s not a loan someone decides to take out. Nobody chooses to get sick and not have the money to pay for treatment.

The Solution

Ban medical debt from being reported to credit bureaus. Medical bills that someone did not plan for should not be able to ruin a lifetime of work building good credit.



Garnishments



The Problem

Creditors in Minnesota can drain every last penny from the bank account of someone in debt. This could leave them without money for essentials like housing, food, medicine, and more, forcing them further into debt just to stay housed and fed.

The Solution

Protect the last \$4,000 in Minnesotans’ bank accounts from debt collectors. The basic financial security measure will help prevent debt collection from ruining people’s lives. It will also make it easier for people in debt to ultimately pay what they owe.

The Problem

Creditors can garnish up to 25% of Minnesotans wages. If someone is already struggling financially, losing 1/4th of every paycheck can cause a financial crisis in their lives that makes it harder to get by and ultimately pay what they owe.

The Solution

Base garnishment levels on income. People with incomes at or around minimum wage cannot afford to have their wages garnished at the same levels as others. This bill would automatically adjust garnishment between 5% and 25% based on the person’s income.