

CCPA-6

May 18, 1970

This will confirm the telephone conversation you had on May 11, 1970, with Mr. William Hoffman of my staff concerning the application of Title III, Restriction on Garnishment, of the Consumer Credit Protection Act.

You asked to be advised in writing whether an assignment of wages may be considered a "garnishment" within the meaning of section 302(c) of Title III.

"Garnishment" is defined in section 302(c) to mean any legal or equitable procedure through which the earnings of any individual are required to be withheld for the payment of any debt. It is our opinion that a garnishment within the meaning of this definition refers to a court proceeding.

On the other hand, an assignment of wages is generally a private transaction by which a transfer of the right to receive wages is ordinarily effected by means of a contract. Therefore, it is our opinion that Title III would not apply to wage assignments effected prior to legal proceedings.

Sincerely,

Robert D. Moran
Administrator