

CCPA-19

July 21, 1970

This is in reply to your letter of June 17, 1970, concerning the Title III, Restriction on Garnishment, of the Consumer Credit Protection Act.

Section 304(a) of Title III provides that no employer may discharge any employee by reason of the fact that his earnings have been subjected to garnishment for any one indebtedness. We consider that the words "one indebtedness" as meaning a single debt, regardless of the number of levies made or the number of proceedings brought for its collection.

This interpretation recognizes the distinction between a single debt and the garnishment proceedings brought to collect it, and has particular importance in those States which allow garnishment only of wages earned prior to the time of service of a garnishment order. In such States the judgment-creditor may secure a number of garnishment orders to effect collection of the full amount of the debt represented by the judgment.

We have not as yet taken a position on whether it may be said that an individual is being discharged for only one indebtedness, the current indebtedness, where a considerable time has elapsed between indebtedness. This matter is under active consideration. You will be advised when a decision has been reached.

A garnishment order will become binding upon the garnishee for the purpose of section 304(a) of Title III when he is legally bound under State law to make deductions from the employee's earnings.

Sincerely,

Robert D. Moran
Administrator