

## CCPA-64

August 15, 1973

This is in reply to your letter concerning your bankruptcy.

The Federal Wage Garnishment Law (Title III of the Consumer Credit Protection Act) restricts the amount of earnings which may be garnished, as explained in the enclosed pamphlet. The law specifies that its garnishment restrictions do not apply to bankruptcy court orders under Chapter XIII of the Bankruptcy Act. Therefore, if the bankruptcy is under Chapter XIII of the Bankruptcy Act there is not limit on the amount that may be attached by the bankruptcy court order.

It is not clear from your letter, however, whether a voluntary petition in bankruptcy is involved or whether there has been a petition filed under Chapter XIII of the Bankruptcy Act. The exemption in section 303(b)(2) of Title III runs only to orders of the Bankruptcy Court under Chapter XIII. Any other order of a Bankruptcy Court would appear subject to the garnishment restrictions provided in section 303(a). You may wish to bring this to the attention of the attorney who is handling your bankruptcy.

Whether your paychecks for the month of May would constitute part of your assets involved in the bankruptcy, as asserted by the trustee, would depend on bankruptcy law. This Department has no jurisdiction in such matters. Your attorney should be able to advise you concerning this. Any earnings which the court deems to be excluded from the bankruptcy would appear subject to the garnishment restrictions provided in section 303(a).

If you or your attorney need further information or assistance concerning the restrictions on the garnishment of earnings provided in Title III, contact should be made with our area office at 379 U.S. Custom House, 721-19th Street, Denver, Colorado 80202 (Telephone: 303-837-4405). The people in that office will be pleased to provide every possible assistance.

Sincerely,

Joseph P. McAuliffe  
Chief, Division of Minimum  
Wage and Hour Standards