

Community Legal Aid

A non-profit law firm serving the legal needs of low-income individuals and families in central northeast Ohio

www.communitylegalaid.org

What can my credit

What can my creditors take from me?

The first thing to keep in mind is that in most cases, a creditor first needs to sue you in court before they can attempt to collect on the debt. Once they do, the court needs to agree that you owe the debt. So it doesn't just happen automatically.

To learn more about how to respond to a creditor lawsuit, see the free resources at www.OhioLegalHelp.org.

If this does happen, they may be able to garnish your wages, or take money automatically out of your paycheck, take money out of your bank account, or use your home or property as leverage. In rare situations, they may be able to force you to sell property to pay off your debt.

There are certain types of income a creditor can't take. These are called "uncollectible" income. Some common types of income that are protected from collection efforts are:

1. Social security
2. Unemployment
3. Veterans' benefits
4. Workers' compensation
- 5.

Disability

6. OWF (cash assistance)
7. Child support

Again, most creditors cannot take money from those types of income. But there are a few exceptions, including:

1. if you owe back child support
2. if you owe back taxes
3. if you were paid too much in public benefits, or
4. if you have federally backed student loan debt

Now, if you earn money from a job, you may not be considered “uncollectible,” but you still have some protections. A creditor can ask the court to garnish your wages, which lets them take money automatically out of your paycheck, but there is still a limit to how much they can take.

A creditor also can ask the court to make you sell personal property to pay back a debt. This can include things like your home, your vehicle, household goods and furniture, jewelry, or tools you own for a job.

But before they can do that, your property has to be worth over a certain value. Anything below those values is protected from collection efforts, even if you end up filing for bankruptcy. You can see what these values are [here](#).

When thinking about the value of any property you own, don't go by what you paid for the item. Instead, think of its value in terms of what you would actually get if you put it in a garage sale. For

example, you may think that your diamond ring is worth a lot of money, but if you took it somewhere that buys jewelry, you might be surprised to find out how little they would pay you for it.

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