April 17, 2020

The Honorable John Bel Edwards
900 N 3rd St #4
Baton Rouge, LA 70802

Re: Prohibiting Debt Collectors From Garnishing CARES Act Payments and Other Necessary Funds

Dear Governor Edwards:

The undersigned community, legal services, consumer, and advocacy organizations write to urge the Office of the Governor to ensure people have the financial support needed to stay safe, either at home or at work, during the coronavirus pandemic. We implore you to implement protections for vulnerable Louisianans who are facing debt collection lawsuits and activities during this unprecedented time. It is essential that the federal CARES Act stimulus payments, which have started to arrive this week, be exempt under state law from garnishment.

Even without the burden of COVID-19, over half of Louisiana households are unable to make ends meet for three months if their income is interrupted. For Black households, it is over 67.5%. Louisiana has already experienced more than 350,000 in unemployment claims since March 15, an increase over 3000%. People’s lost jobs and reduced incomes due to COVID-19 are only going to exacerbate the problem of not having enough money to cover expenses.

The concern is not only insufficient income to cover basic needs like food and rent, but also the amount of debt people already carry, such as medical and student loan debt. Even before this pandemic, over 44% of Louisianans had a debt in collections. We can expect to see the number of people with debts in collections rise significantly in the coming months. The federal CARES Act payments provide an essential lifeline amid an economic crisis. The stimulus payments can assist Louisiana residents in putting food on the table, purchasing medicines, and other basic necessities during this time of such dramatically reduced income due to COVID-19.

As Governor, you can order an immediate halt to the garnishment of federal CARES Act payments, as well as other harmful collection activity. Though an urgent ask, this protection for the health and safety of Louisianans is a dire need.

We propose a streamlined order along the following lines:

For the duration of the Public Health Emergency declared by the Governor on March 11, 2020, plus an additional 60 days, no debt collector may:

(a) initiate, file, or threaten to file any new collection lawsuit;

(b) initiate, threaten to initiate, or act upon any legal or equitable remedy for the garnishment, seizure, attachment, or withholding of wages, earnings, property or funds for the payment of a debt, except for collection actions for child support payments owed by a parent that are delivered to a custodial parent for the current support of a child who is still a minor;

(c) initiate, threaten to initiate, or act upon any legal, or equitable or technological remedy to repossess or deprive a person of the use of any vehicle.
All currently issued writs of execution hereby stay until 60 days after the expiration of the Governor’s March 11, 2020 Public Health Emergency order. Any property garnished or attached after April 10, 2020, must be released back to the judgment debtor.

This extraordinary measure is necessary for these unprecedented times. Suspending debt collection efforts will mitigate the economic impact COVID-19 has on Louisiana residents. We urge you to implement this proposed Executive Order as soon as possible to protect the stimulus payments, and to avoid further devastating economic harm to Louisianans.

Under your leadership and with your administration’s guidance, we ask that you call upon lenders to act with the character and ingenuity this crisis demands.

Thank you for your consideration,

A Community Voice
Cafe Hope
Carrollton Riverbend Neighborhood Association
Coalition Against Death Alley
First 72+
Hope Enterprise Corporation
Independent Women’s Organization
Jesuit Social Research Institute
Justice & Accountability Center of Louisiana
Justice & Beyond
Louisiana Budget Project
Louisiana Fair Housing Action Center
Louisiana NOW
Louisiana Progress Action
Metairie Indivisible
National Council of Jewish Women Greater New Orleans Section
New Orleans Youth Alliance
Newman Ob-Gyn
NOW Baton Rouge
Power Coalition for Equity and Justice
Progressive Social Network
Reconcile New Orleans
Ride New Orleans
Rosedale Association
Ruston-Grambling NOW
SPLC Action Fund
Step Up Louisiana
Together Louisiana/Together Baton Rouge
United Way of Southeast Louisiana
Voice of the Experienced
Workplace Justice Project at Loyola Law Clinic