

**STATE OF MICHIGAN
IN THE SUPREME COURT**

MICHIGAN SENATE and MICHIGAN
SENATE MAJORITY LEADER WINNIE
BRINKS, in her official capacity,

Plaintiffs-Appellants,

v

MICHIGAN HOUSE OF
REPRESENTATIVES, HOUSE SPEAKER
MATT HALL, in his official capacity, and
HOUSE CLERK SCOTT STARR, in his
official capacity

Defendants-Appellants,

and

MICHIGAN HOUSE SPEAKER MATT
HALL, in his official capacity.

Defendant.

**MOTION FOR LEAVE TO FILE AMICUS CURIAE BRIEF OF MICHIGAN POVERTY
LAW PROGRAM AND NATIONAL CONSUMER LAW CENTER**

The Michigan Poverty Law Program (MPLP) and National Consumer Law Center (NCLC) ask this Court, pursuant to MCR 7.312(H), for leave to file the attached amicus brief in support of Plaintiffs-Appellants the Michigan Senate and Michigan Senate Majority Leader Winnie Brinks, requesting that the Court deny Defendants' Application for Leave to Appeal. In support of amici's motion, amici state as follows:

1. The Michigan Poverty Law Program (MPLP) seeks to advance the health, safety, and economic security of low-income Michiganders and advance racial justice in the state. It

does so by convening, training, and supporting the state’s legal aid attorneys; advocating for legislative, administrative, and court policy changes; and bringing impact litigation to broadly enforce important rights and set legal and policy precedents. MPLP represents low-income consumers and provides training and support to Michigan’s legal aid attorneys on consumer law issues.

2. The National Consumer Law Center (NCLC) is a national non-profit research and advocacy organization focusing on the needs of low-income consumers. NCLC works with legal services and private lawyers, consumer protection officials, public policymakers, consumer and business reporters, and consumer and low-income community organizations across the country to ensure access to justice for all consumers. NCLC is the author of *Collection Actions* (6th ed. 2024), a leading treatise on laws around the country that limit judgment creditors’ ability to seize families’ wages and essential property. NCLC also frequently appears as amicus curiae in consumer law cases before trial and appellate courts throughout the country.
3. With this brief, MPLP and NCLC seek to advance their interest in ensuring House Bills 4900 and 4901—two of the nine bills at issue in this case—are swiftly presented to the Governor for approval. These bills significantly improve Michigan's garnishment and bankruptcy exemptions and would provide immediately financial relief to low-income Michigan families.
4. Amici’s proposed Brief is attached to this Motion.

WHEREFORE, amici respectfully request this Court to grant amici leave to file the attached brief in support of Plaintiffs-Appellants the Michigan Senate and Michigan Senate Majority Leader Winnie Brinks, requesting that the Court deny Defendants' Application for Leave to Appeal.

Respectfully Submitted,

_____/s/_____
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Dated: January 20, 2026

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Defendant.

Supreme Court Case No. 168269

Court of Appeals Case No. 374786

Court of Claims Case No. 25-00014-MB

**AMICUS BRIEF OF THE MICHIGAN POVERTY LAW PROGRAM AND THE
NATIONAL CONSUMER LAW CENTER**

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QUESTION PRESENTED

Do the Defendants-Appellants meet the criteria for this Court to exercise its discretionary authority to grant the Application for Leave to Appeal?

Plaintiffs-Appellees' Answer: No

Defendants-Appellants' Answer: Yes

Amici's Answer: No

STATEMENT OF INTEREST

Amicus curiae the Michigan Poverty Law Program (MPLP) is a statewide organization that seeks to advance the health, safety, and economic security of low-income Michiganders and advance racial justice in the state.¹ It does so by convening, training, and supporting the state's legal aid attorneys; advocating for legislative, administrative, and court policy changes; and bringing impact litigation to broadly enforce important rights and set legal and policy precedents. It focuses on the civil legal issues affecting low-income individuals and families, including consumer, elder, family, housing, and public benefits issues.

MPLP has extensive experience with low-income debtors, the state's bankruptcy and garnishment exemptions, and HB 4900 and 4901, two of the bills at issue in this case. Through its own advocacy and statewide support for legal aid attorneys, MPLP regularly counsels and represents low-income debtors facing collections and garnishment and has seen first-hand the harm caused by the state's current, inadequate exemptions. MPLP has worked to expand and modernize these exemptions for decades. It helped identify needed reforms, testified in support of HB 4900 and 4901, and watched in shock as these critical bills were not presented to the Governor for approval.

Amicus curiae the National Consumer Law Center (NCLC) is a national non-profit research and advocacy organization focusing on the needs of low-income consumers. NCLC works with legal services programs like MPLP, private lawyers, consumer protection officials, public policymakers, consumer and business reporters, and consumer and low-income community organizations across the country to ensure access to justice for all consumers. NCLC

¹ Pursuant to MCR 7.312(H)(5), amici state that no counsel for a party authored this brief in whole or in part, no such counsel or party made a monetary contribution intended to fund the preparation or submission of this brief, and no person other than amicus, their members, or their counsel made any such monetary contribution.

is the author of *Collection Actions* (6th ed. 2024), a leading treatise on laws around the country that limit judgment creditors' ability to seize families' wages and essential property. NCLC also publishes *Fair Debt Collection* (10th ed. 2022), which addresses protections at both the federal and state level against unfair, deceptive, and abusive debt collection practices.

In line with its mission to promote protections for low-income consumers around the country, NCLC applies its expertise to analyze bills and policies that would improve state exemption laws. It has presented testimony in state legislatures around the country on this topic. It publishes an annual report, *No Fresh Start*, that rates all fifty states and the District of Columbia on the strength of their protections for judgment debtors. It has published the Model Family Financial Protection Act as a resource for advocates and policymakers who are seeking to improve state exemption laws. NCLC expects to publish an updated and renamed version of Title II of that model law—within the next few days. NCLC also frequently appears as *amicus curiae* in consumer law cases before trial and appellate courts throughout the country.

With this brief, MPLP and NCLC seek to advance their interest in ensuring that HB 4900 and 4901's reforms are swiftly implemented, allowing low-income Michiganders to retain the income and assets necessary to meet their basic needs while still working to pay off their debts.

INTRODUCTION

HB 4900 and 4901—two of the nine bills defendants failed to present to the Governor—would provide immediate and critical financial relief to low-income Michiganders. These bills update and modernize state laws governing income and assets exempt from garnishment and collection in bankruptcy. Such exemptions are designed to ensure that debtors facing collection actions can continue to meet their basic needs, like housing, food, and medical care, and maintain their employment.²

HB 4900 and 4901’s reforms are desperately needed and defendants’ failure to present these bills to the Governor has caused widespread and significant harm.³ Michigan’s current garnishment protections are among the worst in the nation.⁴ They exempt only the federal minimum in wages—30 times the federal minimum wage of \$7.25 an hour—which comes out to only \$217.50 a week in wages, or 75% of net wages.⁵ They exempt only \$3,500 of a debtor’s home’s value⁶ and \$1,000 of a debtor’s vehicle’s value.⁷ They provide no protection for a debtor’s bank account or Earned Income Tax Credit (EITC) payment.⁸ These weak protections are destabilizing for low-income families, putting them at risk of losing their housing, not having enough money for food and medicine, and losing the vehicle and tools they need to keep their

² National Consumer Law Center, *No Fresh Start: Will States Protect Families From Debt Collectors Seizing Wages and Bank Balances?* (December 2025), p 5, available at <https://www.nclc.org/wp-content/uploads/2026/01/2025.12_Report_No-Fresh-Start.pdf> (accessed January 16, 2026).

³ Because of their impact on the lowest income debtors, amici will focus on HB 4900’s improvements to Michigan’s garnishment exemptions. HB 4901 provides similar, and just as important, protections for debtors who file for bankruptcy.

⁴ National Consumer Law Center, *No Fresh Start: Will States Protect Families From Debt Collectors Seizing Wages and Bank Balances?* (December 2025), p 4, available at <https://www.nclc.org/wp-content/uploads/2026/01/2025.12_Report_No-Fresh-Start.pdf> (accessed January 16, 2026).

⁵ MCL 600.5311; 15 USC 1673(a).

⁶ MCL 600.6023, MCL 600.6024, MCL 559.214.

⁷ MCL 600.6023 (1).

⁸ Michigan Justice for All Commission, *Debt Collection Work Group Report and Recommendations: Advancing Justice for All in Debt Collection Lawsuits* (June 2022), pp 36-37, available at <<https://www.courts.michigan.gov/administration/special-initiatives/jfa/>> (accessed January 16, 2026).

jobs. With an estimated 22% of Michiganders with credit reports facing collection actions, this harm is felt across the state but particularly in communities of color where 44% of individuals face collection actions.⁹

HB 4900 would significantly improve these protections, protecting \$480.55 per week in wages, \$120,000 in home value, \$5,000 in vehicle value, \$800 in debtors' bank accounts and completely protecting EITC payments from collection.¹⁰ It would also tie these amounts to inflation, ensuring that these exemptions provide meaningful protections for decades to come.¹¹ If presented to and approved by the Governor, these reforms would provide immediate relief to tens of thousands of Michigan families—if not more—facing collections and struggling with affordability. For this reason, MPLP and NCLC asks the Court to deny Defendants' Application for Leave to Appeal, which would allow these critical bills to be presented to the Governor for approval.

⁹ Urban Institute, *Debt in America: An Interactive Map* <<https://apps.urban.org/features/debt-interactive-map/?type=overall&variable=totcoll>> (accessed January 16, 2026).

¹⁰ 2023 HB 4900; House Legislative Analysis, HB 4900 and 4901 (January 27, 2025).

¹¹ *Id.*

ARGUMENT

I. Michigan’s Current Garnishment and Bankruptcy Exemptions are Among the Worst in the Nation.

Michigan’s current garnishment protections fail to meaningfully protect Michigan families.

The current exemptions:

- Protect only \$217.50 a week in wages from collection, allowing debt collection to push individual and family incomes below the federal poverty level;¹²
- Protect only \$3,500 of the value of a debtor’s home, 1% of the median home value in the state.¹³
- Protect only \$1,000 in household goods and \$1,000 of a vehicle’s value;¹⁴
- Provide no protection for bank account balances, allowing creditors to drain accounts to zero;¹⁵ and,
- Provide no protection for the federal Earned Income Tax Credit, a critical resource for the state’s low-income working families.¹⁶

These protections, which have not been meaningfully updated since the 1960s, are out-of-date and out-of-step with the rest of the country. As the Pew Charitable Trusts testified, “[g]arnishment protections are the single policy area where Michigan is most out-of-step with national reforms around debt practices.”¹⁷ In the National Consumer Law Center’s recent fifty-state survey of garnishment exemptions, Michigan’s exemptions received an “F,” tying it for last

¹² MCL 600.5311; 15 USC 1673(a).

¹³ MCL 600.6023, MCL 600.6024, MCL 559.214; *No Fresh Start*, p 74.

¹⁴ MCL 600.6023 (1).

¹⁵ MCL 600.6023 (1); *No Fresh Start*, p 74.

¹⁶ *Id.*

¹⁷ Written Testimony of Erika Rickard, Director, Courts and Communities Project, The Pew Charitable Trusts, Hearing on Senate Bill 408, Michigan Senate Finance, Insurance, and Consumer Protection Committee, p 1 (May 22, 2024), available at <<https://www.pew.org/-/media/assets/2024/11/pew-sb-408-testimony-52224-final.pdf>> (accessed January 16, 2026).

place in the country with nine other states.¹⁸ The report found that Michigan’s laws “reflect indifference to struggling debtors” and “allow creditors . . . to seize nearly everything a debtor owns, even the minimal items necessary for the debtor to continue working and providing for a family.”¹⁹

II. Michigan’s Weak Exemptions are Causing Significant and Widespread Harm.

Michigan’s weak garnishment exemptions allow creditors and debt collectors to take nearly all low-income families’ income and assets. This includes reducing their wages to below the federal poverty level, completely draining their bank accounts, and seizing their vehicles. This leaves families with few resources to make their rent, mortgage, or utility payments, pay for food and medicine, or get to the jobs they need to continue to support their families and repay their debts.

These garnishment actions are particularly harmful because they often take debtors completely by surprise. Because nearly 70% of Michigan debt collection cases result in default judgments, many debtors only discover that they are subject to collections and garnishment when their full paycheck does not arrive or they try to make a payment only to find no funds left in their account.²⁰ In MPLP’s testimony in support of HB 4900 and 4901, we shared the story of one client who believed her ex-husband was paying her credit card bill pursuant to a divorce order, who had her entire bank account emptied, as well as the bank accounts of her 16- and 10-year-old daughters because her name was on their accounts.²¹ This sudden loss of income and assets is destabilizing and gives families little time to plan or recover. As we also shared in our

¹⁸ *No Fresh Start*, p 74.

¹⁹ *Id.*

²⁰ *Advancing Justice for All in Debt Collection Lawsuits*, p 24.

²¹ Testimony of Lorry S.C. Brown on Behalf of the Michigan Poverty Law Program, Senate Committee on Finance, Insurance and Consumer Protection (May 22, 2024).

testimony, legal aid attorneys across the state commonly report that clients are facing eviction because a sudden wage garnishment has left them with not enough money to make the rent.²²

These harms are widespread and disproportionately impact communities of color. In 2019, creditors filed over 200,000 debt collection cases in Michigan District Courts.²³ At all income levels, Michigan’s Black neighborhoods had 2-3 times the number of debt collection filings than white neighborhoods.²⁴ Michigan courts issued garnishment orders in 78% of cases with debt collection judgments, resulting in tens of thousands of garnishment orders issued each year.²⁵ In Black neighborhoods, garnishments issue on judgments 15% more frequently than in white neighborhoods.²⁶ Similarly, data from the Urban Institute shows an estimated 22% of Michigan residents with a credit report have a debt in collections.²⁷ This rate doubles to 44% for communities of color in Michigan—substantially higher than the nationwide share of 29% for communities of color.²⁸

III. HB 4900 and HB 4901 Would Significantly Improve Michigan’s Garnishment and Bankruptcy Exemptions and Provide Immediate Financial Relief to Tens of Thousands of Low-income Michiganders.

During the last term, the Michigan Legislature passed House Bills 4900 and 4901, modernizing Michigan’s garnishment and bankruptcy exemptions by expanding the income and property protections available to debtors and increasing transparency in the garnishment process.²⁹ Specifically, these bills:

²² *Id.*

²³ *Advancing Justice for All in Debt Collection Lawsuits*, p 10.

²⁴ *Id.* at p 18.

²⁵ *Id.* at p 33.

²⁶ *Id.* at p 36.

²⁷ *Debt in America*.

²⁸ *Id.*

²⁹ 2023 HB 4900; 2023 HB 4901; House Legislative Analysis, HB 4900 and 4901 (January 27, 2025).

- **Establish Meaningful Wage Protection.** HB 4900 reduces the maximum percentage of disposable earnings that can be garnished from 25% to 15%.³⁰ It also establishes a floor that protects earnings up to 35 times the greater of the federal or state minimum hourly wage.³¹ Practically, this means that families would be able to keep at least \$480.55 per week—an increase of \$209.05 per week over the current protections—to pay for rent, food, transportation, and other necessities.
- **Create Essential Bank Account Protections.** HB 4900 protects \$800 in bank accounts from garnishment.³² It also requires financial institutions to automatically protect this amount and to identify deposits from protected sources such as Social Security or veterans' benefits within the previous 90 days.³³ This automatic protection is critical because it prevents the kind of sudden financial catastrophe where a family discovers their entire bank account has been drained with no warning and no recourse.
- **Substantially Increase Property Exemptions.** HB 4900 and HB 4901 modernize property exemptions to reflect current economic realities:
 - **Household goods:** Increased from \$1,000 to \$5,000, allowing families to retain basic furnishings, appliances, and personal effects.
 - **Motor vehicles:** Increased from \$1,000 (and only if necessary for work) to \$5,000 (or \$15,000 in bankruptcy), recognizing that reliable transportation is essential for employment, healthcare, and family responsibilities.

³⁰ *Id.*

³¹ *Id.*

³² House Fiscal Agency, Legislative Analysis, *supra* note 18, at 4.

³³ *Id.*

- **Homestead:** Increased from \$3,500 to \$125,000 (or \$200,000 for individuals 65 or older or disabled), reflecting actual home values and preventing families from losing their homes over consumer debts.
- **Tools and equipment:** Increased from \$1,000 to \$10,000, ensuring that workers can retain the tools necessary to earn a living.
- **Computers and mobile devices:** A new exemption of \$5,000 recognizes that electronic devices are now essential for employment, education, and daily life.³⁴
- **Protect Earned Income Tax Credit from Seizure.** HB 4900 adds an important exemption for individuals' Earned Income Tax Credit (EITC).³⁵ The EITC is specifically designed to provide financial relief to low-income working families. By protecting EITC from garnishment, HB 4900 ensures that this relief reaches the families for whom it was intended, rather than being diverted to private, often out-of-state debt collectors.
- **Increase Transparency in the Garnishment Process.** HB 4900 establishes clear procedural requirements for serving a writ of garnishment and requires the notice to include resources and information debtors need to understand the garnishment process and participate in their case.³⁶
- **Include Automatic Inflation Adjustments.** Critically, both bills automatically update all exemption amounts every three years to account for inflation, based on the Consumer Price Index for the Detroit-Warren-Dearborn metropolitan area.³⁷ This ensures that

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.*

Michigan's garnishment protections will not become outdated again, as they have over the past sixty years.

Together, these reforms would lift Michigan out of its worst-in-the-nation status and, most importantly, provide meaningful protections for low-income Michiganders. Had these bills been presented to the Governor and approved last year, tens of thousands of families would have been able to retain thousands more in wages to meet their basic needs, avoided the shock and disruption of a drained bank account, and had the ability to protect their homes and vehicles from collections. Evidence also indicates that enacting these reforms would have helped reduce the number of debt collection cases clogging our state's already strained District Courts.³⁸ But because defendants failed to present these bills, Michigan debtors, particularly its debtors of color, have continued to bear the burden of our state's outdated and inadequate current protections. By denying defendants' application for leave, this court can put a stop to these harms and provide immediate, meaningful relief to Michigan's low-income families.

³⁸ January Advisors, *How Wage Garnishment Protections Could Reduce Debt Litigation and Protect Vulnerable Workers*, <<https://januaryadvisors.shinyapps.io/garnishment-dashboard/#methodology>> (accessed January 16, 2026) (finding states with stronger garnishment protections have fewer debt collection lawsuit filings, even after controlling for poverty rates, demographics, and other consumer protection policies); Scott Fulford and Eva Nagypal, *Using the Courts for Private Debt Collection: How Wage Garnishment Laws Affect Civil Judgments and Access to Credit* (Consumer Financial Protection Bureau Office of Research, March 20, 2023), available at <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4394821> (accessed January 16, 2026).

CERTIFICATE OF COMPLIANCE

I certify that this document contains 3,165 countable words as required under Michigan Court Rules 7.212.

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