Collecting a Small Claims Judgment

A Judgments Not Paid

The *Small Claims Dismissal or Judgment* (Form DC 85) describes the amount owed and when and how the **judgment debtor** (party paying money) must pay the **judgment creditor** (party owed money). If the debtor does not follow the court's payment instructions, the creditor can try to collect the unpaid amount.

If the claim is not paid, the creditor may need information about the debtor's income, property, employment, or bank accounts. Many forms also require the debtor's Social Security number.

If there is information about the debtor that the creditor needs, the creditor may ask the court to order the debtor to provide this information. This is called a **debtor's examination** and may be requested by filing a *Subpoena, Order to Appear/Produce* (Form MC 11) with the court. The creditor must complete the section called "Affidavit for Judgment Debtor Examination," and sign the form in front of a deputy court clerk or notary.

Once a creditor has the necessary information about the debtor, the creditor may try any of the following collection methods.

B Garnishment

Garnishment is a court order that takes money from the debtor's wages, bank accounts, or another source — such as income tax refunds. The money collected is then used to pay the judgment.

There are three types of garnishment:

1. **Periodic (Recurring).** Money is taken on an ongoing basis from the debtor's wages or other regular payments. The garnishment continues until the judgment, interest, and costs are paid in full, or until there is a different order from the court. To ask for a periodic garnishment, complete *Request and Writ for Garnishment, Periodic* (Form MC 12) and file it with the court.
2. **Nonperiodic (One-time).** Money is taken one time from the debtor's bank account or other accounts. To ask for a nonperiodic garnishment, complete *Request and Writ for Garnishment, Nonperiodic* (Form MC 13) and file it with the court. To collect additional amounts, a new request for garnishment must be filed.
3. **Income Tax Refund (One-time).** Money is taken one time from the debtor's state tax refund. To ask for an income tax garnishment, complete *Request and Writ for Garnishment, Income Tax Refund/Credit* (Form MC 52) and file it with the court. To collect additional amounts, a new request for garnishment must be filed.

After filing one of the forms described above, the court may issue a Writ for Garnishment. This is a court order requiring a person or business that holds the debtor's money, called the **garnishee**, to pay that money toward the judgment. The garnishee is typically the debtor's bank, employer, or the Michigan Department of Treasury.

The creditor must serve (deliver) the writ and a copy of the *Garnishee Disclosure* (Form MC 14) to the garnishee. The creditor will have to pay a disclosure fee and a service fee.

More information about garnishment fees, how garnishment amounts are calculated and when money from garnishments is distributed is included on the individual forms.

C Seizure of Property

Seizing property means a debtor's property is taken and sold to pay the creditor. A sheriff or court officer will handle the seizure of the property and the sale. The fee for this collection method is paid out of the money from the sale. To ask for seizure of property, complete *Request and Order to Seize Property* (Form MC 19) and file it with the court.

D Judgment Paid in Full

Once the judgment is paid in full, the creditor should complete the *Certificate of Satisfied Judgment* (Form MC 17) and file it with the court. If a writ for garnishment was issued, the creditor must also file a *Garnishment Release* (Form MC 50) for each garnishee.

If a creditor does not file a *Certificate of Satisfied Judgment*, the debtor may ask the court to record that the debt has been paid. To do this, the debtor can file a *Notice of Hearing and Motion* (Form MC 326) asking the court to issue an Order of Satisfaction.

E Additional Information

More information about collecting on judgments is available at:
michiganlegalhelp.org/resources/money-debt-and-consumer-issues/collecting-your-judgment.

Court forms are available at courts.michigan.gov/SCAO-forms.