



CCPA-33

October 12, 1970

This is in reply to your letter of July 22, 1970, asking two questions on the application on Title III, Restriction on Garnishment, of the Consumer Credit Protection Act.

In response to your first question, section 304(a) of Title III provides that no employer may discharge any employee by reason of the fact that his earnings have been subjected to garnishment for any one indebtedness. We consider the words "one indebtedness" as meaning a single debt, regardless of the number of levies made or the number of proceedings brought for its collection.

This interpretation recognizes the distinction between a single debt and the garnishment proceedings brought to collect it, and has particular importance in those States which allow garnishment only of wages earned prior to the time of service of a garnishment order. In such States the judgment-creditor may secure a number of garnishment orders to effect collection of the full amount of the debt represented by the judgment.

In your second question, you ask whether an employer-garnishee may charge against the disposable earnings of the employee-debtor the legal fees charged by the garnishee's attorney for answering interrogatories relating to the employment of the employee.

Whether allowances for attorney's fees incurred by a garnishee may be taken out of funds of the defendant wage earner which are in the hands of the garnishee is generally a matter of State law. Title III of the Consumer Credit Protection Act contains no provisions relating to this matter. However, where allowances are permitted, any deductions from wages may not reduce the employee's earnings below the statutory minimum wage or overtime compensation which may be required under the Fair Labor Standards Act. For a discussion of deductions from wages under the Fair Labor Standards Act, your attention is directed to sections 531.36 and 531.37 of Regulations, Part 531. Such deductions would not be considered as deductions "required by law to be withheld" for the purpose of determining the employee's "disposable earnings" within the meaning of section 302(b) of Title III.

Sincerely,

Robert D. Moran
Administrator