

[Listen Live](#) ▶[On Air Schedule](#)[Sponsored Events](#)[GIVE NOW](#)[Warp Drive Public Radio Library](#)

Arts
[Phuzz Phest, Guys and Dolls,](#)
[Organist Jimmy Jones, and the](#)
[Secret Artist Series](#)



SciWorksRadio
[What Is Evolution?](#)

Politics & Government

7:55 PM SUN APRIL 19, 2015

More Bankruptcies Could Be A Result Of Wage Garnishment Bill

By [KERI BROWN](#) (@PEOPLE/KERI-BROWN)

Listen

2:54

WFDD's Keri Brown talks with attorney Trip Adams about the wage garnishment bill in the Senate. He explains how the legislation would work and why it could impact bankruptcy filings in North Carolina.

Debt collectors could soon have a new way to get money that's owed to them in North Carolina. A bill in the legislature would allow creditors to take up to 25 percent of a person's wages. The proposal would end a nearly 150 year-old rule in North Carolina that creditors can't take money from people that's necessary to support their families.



<http://mediad.publicbroadcasting.net/p/wfdd/files/201504/TRIPADAMS.jpg>

Rayford K. (Trip) Adams, a local attorney and law professor at Elon University, says if the proposed wage garnishment bill passes, the number of bankruptcy cases will rise in North Carolina.
 Credit Spilman Thomas & Battle, PLLC

“Right now, money in a person's bank account that came from wages and is necessary for the support of the debtor or the debtor's family...then that is protected so, as a practical matter, judgment creditors can't go in and reach bank accounts that are owned by most people. But this bill would change that,” says Trip Adams, a law professor at Elon University and an attorney with Spilman Thomas & Battle in Winston-Salem.

Adams says he believes if the bill passes, bankruptcy cases will soar in the state.

“Twenty five percent of disposable income is an amount that will devastate families and make it impossible for them to continue to operate their households, and I don't think there is a doubt that, at least in many cases, those families will have to consider bankruptcy to deal with their debt,” says Adams.

Currently, North Carolina has one of the lowest bankruptcy filing rates in the country.

The legislation provides that a judgment creditor through the use of a writ of garnishment, which allows the creditor to go directly to an employer of a debtor, can reach 25 percent of what is defined in the bill as disposable income, or gross wages.

Adams says it would not include in that definition of withholding things like medical

insurance, retirement or child support.

The bill ([Senate Bill 632](http://www.ncleg.net/gascripts/BillLookUp/BillLookUp.pl?Session=2015&BillID=S632) (<http://www.ncleg.net/gascripts/BillLookUp/BillLookUp.pl?Session=2015&BillID=S632>)) was introduced by Republican Sen. Andrew Brock, who says it's a response to small business owners who say their inability to collect debts is affecting their bottom line. It's currently in a Senate committee.

It would be effective July 1 if signed into law and would apply to civil judgments before that date.

Follow Keri Brown on Twitter @kerib_news

TAGS: [wage garnishment \(/term/wage-garnishment\)](/term/wage-garnishment) [Trip Adams \(/term/trip-adams\)](/term/trip-adams)
[Spilman Thomas & Battle \(/term/spilman-thomas-battle\)](/term/spilman-thomas-battle) [Sen. Andrew Brock \(/term/sen-andrew-brock\)](/term/sen-andrew-brock) [Elon University \(/term/elon-university\)](/term/elon-university)

Related Content:



Education

[Elon University Gets Largest Donation In Its History \(/post/elon-university-gets-largest-](#)
