

# Creditor Lawsuits

## Can I be sued if I do not pay my debt?

If you don't pay a debt, a creditor or its debt collector can sue you. If it wins, the court will enter a judgment against you. The judgment states the amount of money you owe. Once the judgment is final, the creditor can collect its judgment.

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## Can my benefits be garnished?

Most federal benefits are exempt from garnishment. The following benefits cannot be taken by most creditors:

- Social Security benefits
- Social Security Disability benefits (SSDI)
- Supplemental Security Benefits (SSI)
- Veterans' Benefits
- Civil Service and Federal Retirement and Disability Benefits
- Service Members' Pay
- Military Annuities and Survivors' Benefits
- Student Assistance
- Railroad Retirement Benefits
- Merchant Seamen Wages
- Federal Emergency Management Agency Federal Disaster Assistance

Federal benefits can be garnished under certain circumstances, including payment of delinquent taxes, alimony, child support, student loans, or other debts owed to the government.

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## Can my wages from work be garnished?

If you earn more than \$217.50 per week in wages, your wages can be garnished by a creditor with a judgment.

You can prevent wage garnishment by setting a payment plan with your creditor. You should get your payment plan in writing and make your payments as scheduled. If you miss a payment, your wages can be garnished, and you will not be able to get another payment plan. You can also stop wage garnishment by filing an Installment Payment Motion with the court, asking the Judge to set a payment plan.

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## **Can the creditor take my car or money from my bank account?**

A creditor with a judgment can take your car or money from your bank account if you do not protect them. Tennessee law lets you protect up to \$10,000 in personal items. You can protect these items, including your car and bank account, by filing a list of the items at the court clerk's office.

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## **Can a creditor take my home?**

A creditor with a judgment can place a judgment lien against any real estate you own by registering a copy of its judgment with the Register of Deeds in the county where your property is located.

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