

FICC TELEBRIEFING

January 25 and 26, 2022

Refresher on Processing and Completing Garnishments

PRESENTED BY

MELISSA K. BRIDGES

MBRIDGES@BODMANLAW.COM

BODMAN PLC

229 COURT STREET, P.O. BOX 405
CHEBOYGAN, MICHIGAN 49721
(231) 627-8000

bodman
ATTORNEYS & COUNSELORS

www.bodmanlaw.com

GARNISHMENT REVIEW

All Michigan forms associated with Garnishments are listed below. They are also attached to these materials. We will be reviewing how the forms are used and what to do with others. We strongly suggest that you consult the Garnishments Chapter found on the bankersonline.org website for any question that you may have.

Request and Writ for Garnishment (Periodic) – MC012:

- Periodic Writs are ongoing, if the Defendant is employed by you. Because Periodic and Nonperiodic Writs may be processed by different departments, it is key that you look to the top and ensure they get to the correct department.
- You must complete the Writ and file a copy of the disclosure within 14 days of when it was served. If you don't, a default can be entered against you for the full amount of the judgment.
- If there are multiple judgments in place, you have to determine priority. There is a worksheet on page 3 of the Writ that explains how to make the calculation and to see if there is money to satisfy all the writs in order of priority. Priority is bankruptcy, orders for the support of another, and then prior, unexpired, Writs.
- You must hold garnished funds for 28 days after receipt of the Writ to allow for the initial objection period, unless ordered by the Court. If no objection is received, then you will begin forwarding payments 28 days after being served.
- Because the Writ remains effective until the judgment is satisfied, you must receive a statement from the Plaintiff at least every six months after Plaintiff receives the first payment, stating the remaining balance on the judgment.
- The Writ is suspended if there is an Order for Installment Payments entered. If it is later set aside, the Writ has priority. There is an example of this on page V-7 of the Garnishment Chapter.

Request and Writ for Garnishment (Nonperiodic) – MC013:

- This is the most common Writ that we see. You must search your records for all assets held by you in which the Defendant has an interest at the time the Writ is executed. Later acquired property is not included.
- There are separate classifications of exempt funds under federal and state law. Make sure that you have reviewed both types. If they are not the type listed, then you are not required to make the objection on behalf of the Defendant. There are rare exemptions, like what happened under Covid. However, that is unlikely to happen again. Generally, you want to stay out of objection on behalf of others.

Garnishee Disclosure – MC014:

- The biggest amount of garnishments we see come on this form. Under “Nonperiodic Garnishments” you are required to provide information from each selection. Over half of the time, this information is not completed. If you are not withholding because of a federal benefit payment, you must state: “Exempt pursuant to 31 CFR 212 *et seq*” or “Exempt pursuant to MCL 3.101(I)(6).”
- If you are not withholding because there are no funds or you don’t hold an account, you must state so. Don’t state that you have no funds, if you don’t have an account. Clearly state that you hold no accounts for Defendant.
- If you are withholding, you are to provide a description of property and account type. This is missing 50% of the time. This would be money – savings, checking, CD, etc.

Final Statement on Garnishment of Periodic Payments – MC048:

- You must file this statement within 14 days after the Writ ceases to be effective. The Writ could cease to become effective because it has been satisfied, the Defendant is no longer employed, or it expires.
- You must mail or deliver a copy to the Court, Plaintiff, and Defendant.

Objections to Garnishment and Notice of Hearing – MC049:

- The Defendant must use this form to object. Further, they must provide you with a copy of this form. Oral objections are insufficient.
- The Defendant must object, by filing, within 14 days after the Writ is mailed or delivered to the Defendant. This means, it will be 14 days from when you mail them to the Defendant.
- Objections will be heard within 21 days from the date the objection was filed.

Order on Objections to Garnishment – MC051:

- After hearing the objections, the Court will issue an order on this form. The Court will either allow the release, order in the Defendant’s favor or release the funds.
- If you receive objections, but do not receive an order within 28 days, you should contact the Court.
- The Court can order a release of all funds or a partial release.

Garnishment Release – MC050:

- This form must be used in the 37th District Court (Warren), Ottawa County Probate Court, or 22nd Circuit Court (Washtenaw).
- This form can be used by the parties to direct a third party (you) to release the funds without further liability. Usually, this form is used for early release of funds.

Motion and Affidavit for Installment Payments/To Amend Order for Installment Payments - MC015:

- Generally, you will not see this form. This form requests the Court to set aside a garnishment so that the Defendant can make voluntary installment payments (generally, less than the garnishment calculation).

Order Regarding Installment Payments – MC015a:

- If the Court grants Defendant's request for installment payments, you may receive this form to set aside a periodic garnishment.

Motion to Set Aside Order for Installment Payments – MC016:

- If the Defendant fails to make required installment payments, the Plaintiff can move to set aside the order and reinstate the Periodic Writ. If the Court agrees through an order, the Writ goes forward.

Order on Motion to Set Aside Order for Installment Payments – MC016a:

- This is the order on the Motion. The key is that the Writ retains its original priority. Thus, if there have been other issued Writs of the same class, it goes to the front of the line.

Approved, SCAO

<ul style="list-style-type: none"> • STATE OF MICHIGAN _____ JUDICIAL DISTRICT _____ JUDICIAL CIRCUIT 	REQUEST AND WRIT FOR GARNISHMENT (PERIODIC)	<ul style="list-style-type: none"> • CASE NO.
------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------	--------------------------------------------------------------

Court address	• Zip code	Court telephone no.
---------------	------------	---------------------

Plaintiff's name and address (judgment creditor)
Plaintiff's attorney, bar no., and address
Telephone no.

v

Defendant's name and address (judgment debtor)	
Social security no.	Employee ID or account no.
Garnishee name and address	

REQUEST See separate instructions.

1. Plaintiff received judgment against defendant for \$ _____ on _____.
2. The total amount of judgment interest accrued to date is \$ _____. The total amount of postjudgment costs accrued to date is \$ _____. The total amount of postjudgment payments made and credits to date is \$ _____. **The amount of the unsatisfied judgment now due (including interest and costs) is • \$ _____.**
3. Plaintiff knows or with good reason believes the garnishee is indebted to or possesses or controls property belonging to defendant.
4. **Plaintiff requests** a writ of periodic garnishment be paid to plaintiff, plaintiff's attorney, the court, and mailed to plaintiff. plaintiff's attorney. the court.

I declare under the penalties of perjury that this request has been examined by me and that its contents are true to the best of my information, knowledge, and belief.

Date

Plaintiff/Agent/Attorney signature

WRIT OF GARNISHMENT IT IS ORDERED:

TO THE PLAINTIFF: Have all copies of the Garnishee Disclosure (form MC 14), two copies of this writ, and the disclosure fee (\$6 if the State of Michigan is the garnishee; \$35 for all others) served on the garnishee within 182 days from the date of issue. If not properly served, the writ of garnishment is invalid. After receiving your first payment under the garnishment, provide the garnishee and defendant a statement of the balance remaining on the judgment, including interest and costs, at least once every 6 months. Within 21 days after the judgment has been paid, including all interest and costs, provide the garnishee and defendant a garnishment release (form MC 50).

TO THE DEFENDANT: See separate instructions. You have 14 days after this writ is mailed or delivered to you to file objections with the court. If you do not file objections within this time, periodic payments (money) owed to you by the garnishee may be withheld and paid directly to the plaintiff until the judgment is satisfied.

TO THE GARNISHEE:

1. Within 7 days after you are served with this writ, deliver a copy of this writ to the defendant in person or mail a copy to his or her last-known address by first-class mail.
2. Within 14 days after you are served with this writ, deliver or mail copies of your completed Garnishee Disclosure (form MC14) to the court, plaintiff/attorney, and defendant. A default may be entered against you for failure to disclose.
3. Do not pay any obligations to the defendant unless allowed by statute or court rule.
4. If indebted to the defendant, withholding must begin according to court rule and continue until the judgment is satisfied. Unless notified that an objection has been filed, begin forwarding withheld payments 28 days after you are served with this writ.
5. Make all payments withheld under this writ payable and mailed as specified in the request.
6. Within 14 days after the judgment is satisfied or you are no longer obligated to make periodic payments to the defendant, file a final statement of the total amount paid on this writ with the court and mail or deliver copies to the plaintiff/attorney and defendant.

Date of issue

Date of deadline for service
(182 days from date of issue)

Clerk of the court/Deputy




Approved, SCAO

• STATE OF MICHIGAN _____ JUDICIAL DISTRICT _____ JUDICIAL CIRCUIT	REQUEST AND WRIT FOR GARNISHMENT (PERIODIC)	• CASE NO.
-----------------------------------------------------------------------------------------------	--------------------------------------------------------	-------------------

Court address	• Zip code	Court telephone no.
---------------	------------	---------------------

Plaintiff's name and address (judgment creditor)
Plaintiff's attorney, bar no., and address
Telephone no.

v

Defendant's name and address (judgment debtor)		
<table style="width:100%; border: none;"> <tr> <td style="width:70%; border: none;"></td> <td style="border: none;">Employee ID or account no.</td> </tr> </table>		Employee ID or account no.
	Employee ID or account no.	
Garnishee name and address		

REQUEST See separate instructions.

1. Plaintiff received judgment against defendant for \$ _____ on _____ .
2. The total amount of judgment interest accrued to date is \$ _____. The total amount of postjudgment costs accrued to date is \$ _____. The total amount of postjudgment payments made and credits to date is \$ _____. **The amount of the unsatisfied judgment now due (including interest and costs) is • \$ _____ .**
3. Plaintiff knows or with good reason believes the garnishee is indebted to or possesses or controls property belonging to defendant.
4. **Plaintiff requests** a writ of periodic garnishment be paid to plaintiff, plaintiff's attorney, the court, and mailed to plaintiff. plaintiff's attorney. the court.

I declare under the penalties of perjury that this request has been examined by me and that its contents are true to the best of my information, knowledge, and belief.

Date _____	Plaintiff/Agent/Attorney signature _____
------------	------------------------------------------

WRIT OF GARNISHMENT IT IS ORDERED:

TO THE PLAINTIFF: Have all copies of the Garnishee Disclosure (form MC 14), two copies of this writ, and the disclosure fee (\$6 if the State of Michigan is the garnishee; \$35 for all others) served on the garnishee within 182 days from the date of issue. If not properly served, the writ of garnishment is invalid. After receiving your first payment under the garnishment, provide the garnishee and defendant a statement of the balance remaining on the judgment, including interest and costs, at least once every 6 months. Within 21 days after the judgment has been paid, including all interest and costs, provide the garnishee and defendant a garnishment release (form MC 50).

TO THE DEFENDANT: See separate instructions. You have 14 days after this writ is mailed or delivered to you to file objections with the court. If you do not file objections within this time, periodic payments (money) owed to you by the garnishee may be withheld and paid directly to the plaintiff until the judgment is satisfied.

- TO THE GARNISHEE:**
1. Within 7 days after you are served with this writ, deliver a copy of this writ to the defendant in person or mail a copy to his or her last-known address by first-class mail.
 2. Within 14 days after you are served with this writ, deliver or mail copies of your completed Garnishee Disclosure (form MC14) to the court, plaintiff/attorney, and defendant. A default may be entered against you for failure to disclose.
 3. Do not pay any obligations to the defendant unless allowed by statute or court rule.
 4. If indebted to the defendant, withholding must begin according to court rule and continue until the judgment is satisfied. Unless notified that an objection has been filed, begin forwarding withheld payments 28 days after you are served with this writ.
 5. Make all payments withheld under this writ payable and mailed as specified in the request.
 6. Within 14 days after the judgment is satisfied or you are no longer obligated to make periodic payments to the defendant, file a final statement of the total amount paid on this writ with the court and mail or deliver copies to the plaintiff/attorney and defendant.

Date of issue _____	Date of deadline for service (182 days from date of issue) _____	Clerk of the court/Deputy _____
---------------------	------------------------------------------------------------------	---------------------------------

INSTRUCTIONS

Definitions

- A periodic garnishment lets the plaintiff (creditor) take money from a source that pays you on a regular basis such as your earnings or income from rental properties.
- A "garnishee" is a person who has control over some or all of the money that is paid to the defendant. For example, an employer could be a garnishee.
- Periodic payments are payments made by the garnishee to the defendant on a regular basis. These payments could be paychecks, rent payments, land contract payments, or other contract payments.

Instructions for the Plaintiff for Item 2:

If a civil judgment does not include judgment interest in the "total judgment" field, the interest amount reported in item 2 should be accrued from the date the complaint was filed.

If a civil judgment includes judgment interest in the "total judgment" field (as in the forms in use before the 5/07 revisions), the interest amount reported in item 2 should not include any postfiling interest already included in the judgment.

Instructions for the Defendant:

1. This writ has been issued because there is a judgment against you that you have not paid. In order to collect on this judgment, income to be paid to you may be garnished.
2. You may object to this garnishment if:
 - a. your income is exempt from garnishment by law (see examples below),
 - b. you have a pending bankruptcy proceeding,
 - c. the maximum withheld exceeds the amount allowed by law,
 - d. you have an installment payment order,
 - e. you have paid the judgment in full,
 - f. the garnishment was not properly issued or is otherwise invalid,
 - g. you believe the balance on the statement the creditor sent to you is wrong.
3. Certain income is exempt from garnishment and the law gives you the right to claim this income as exempt to prevent it from being used to collect on this judgment. You may want to contact your lawyer or legal aid agency for further assistance.
4. You may send the plaintiff a written request to review postjudgment costs and fees listed in item 2 of the request. Within 28 days after receiving your request, the plaintiff must send an itemized list of the postjudgment costs and fees to you and the court. Within 28 days after receiving the itemized list, you may file a motion with the court to review the postjudgment costs and fees if you believe they are wrong. If the judge rules in your favor, the judge may order the motion fee to be deducted from the judgment balance.
5. For more information on garnishments and debt collection, please visit MichiganLegalHelp.org. If you have a smartphone, scan the code to the right for help.



EXAMPLES OF INCOME EXEMPT FROM GARNISHMENT

The following are examples of **some** types of income that are exempt from garnishment and the citations where each type may be found in the law. **Please note that this is not intended as a complete list. You may want to contact your lawyer or legal aid agency for further assistance.**

- Individual Retirement Account (IRA) - [MCL 600.6023(1)(k)]
- Social Security Benefits - [42 USC, Section 407]
- Supplemental Security Income Benefits (SSI) - [42 USC, Section 1383(d)]
- Aid to Families with Dependent Children (AFDC) - [MCL 400.63]
- General Assistance Benefits (GA) - [MCL 400.63]
- Unemployment Compensation Benefits - [MCL 421.30]
- Veterans Assistance Benefits - [38 USC, Section 3101]
- Workers' Compensation Benefits - [MCL 418.821]
- Cash value or proceeds of life insurance or annuity, payable to the spouse or children of the insured - [MCL 500.2207(1)]
- Income benefits under the Michigan Civil Service Act - [MCL 38.40]
- Income benefits under the Michigan Retirement Act - [MCL 421.30]
- U.S. Civil Service Retirement Benefits - [5 USC, Section 8346]

PROOF OF SERVICE

REQUEST AND WRIT FOR GARNISHMENT (PERIODIC)

Case No. _____

TO PROCESS SERVER: You must serve the garnishee with two copies of the request and writ of garnishment, a disclosure form, and the applicable fee, and file proof of service with the court clerk as directed by the plaintiff. If you are unable to complete service, you must return this original and all copies to the court clerk.

CERTIFICATE / AFFIDAVIT OF SERVICE / NONSERVICE

OFFICER CERTIFICATE

I certify that I am a sheriff, deputy sheriff, bailiff, appointed court officer, or attorney for a party [MCR 2.104(A)(2)], and that: (notarization not required)

OR

AFFIDAVIT OF PROCESS SERVER

Being first duly sworn, I state that I am a legally competent adult who is not a party or an officer of a corporate party, and that: (notarization required)

I served two copies of the request and writ of garnishment, a disclosure form, and the applicable fee by:
 personal service registered or certified mail (copy of return receipt attached) on:

Garnishee name	Complete address of service	Day, date, time

I have personally attempted to serve the writ of garnishment, a disclosure form, and the applicable fee on the garnishee and have been unable to complete service.

Garnishee name	Complete address of service	Day, date, time

I declare under the penalties of perjury that this certificate has been examined by me and that its contents are true to the best of my information, knowledge, and belief.

Service fee	Miles traveled	Fee	
\$		\$	
Incorrect address fee	Miles traveled	Fee	TOTAL FEE
\$		\$	\$

Signature

Name (type or print)

Title

Subscribed and sworn to before me on _____
Date

Deputy clerk/Notary public signature

My commission expires: _____
Date

Name (type or print)

Notary public, State of Michigan, County of _____ . Acting in the County of _____ .

This notarial act was performed using an electronic notarization system or a remote electronic notarization platform

ACKNOWLEDGMENT OF SERVICE

I acknowledge that I have received two copies of the request and writ of garnishment, a disclosure form, and the applicable fee on

Day, date, time

Signature on behalf of _____

Approved, SCAO

<ul style="list-style-type: none"> • STATE OF MICHIGAN _____ JUDICIAL DISTRICT _____ JUDICIAL CIRCUIT 	REQUEST AND WRIT FOR GARNISHMENT (NONPERIODIC)	<ul style="list-style-type: none"> • CASE NO.
---------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------	---------------------------------------------------------------------

Court address • Zip Code Court telephone no.

Plaintiff's name and address (judgment creditor)
Plaintiff's attorney, bar no., and address
Telephone no.

v

Defendant's name and address (judgment debtor)	
Social security no.	Account no.
Garnishee name and address	

REQUEST See instructions for item 2 on other side.

1. Plaintiff received judgment against defendant for \$ _____ on _____ .
2. The total amount of judgment interest accrued to date is \$ _____. The total amount of postjudgment costs accrued to date is \$ _____. The total amount of postjudgment payments made and credits to date is \$ _____.
The amount of the unsatisfied judgment now due (including interest and costs) is • \$ _____ .
3. Plaintiff knows or with good reason believes the garnishee is indebted to or possesses or controls property belonging to defendant.
4. **Plaintiff requests** a writ of nonperiodic garnishment be paid to plaintiff, plaintiff's attorney, the court, and mailed to plaintiff. plaintiff's attorney. the court.

I declare under the penalties of perjury that this request has been examined by me and that its contents are true to the best of my information, knowledge, and belief.

Date

Plaintiff/Agent/Attorney signature

WRIT OF GARNISHMENT To be completed by the court. See other side for additional information and instructions.

TO THE PLAINTIFF: You must provide all copies of the disclosure form (MC 14), two copies of this writ for serving on the garnishee, and a \$1.00 disclosure fee for serving on the garnishee. You are responsible for having these documents served on the garnishee within 182 days. If the disclosure states that the garnishee holds property **other than money** belonging to the defendant, you must motion the court within 56 days after the disclosure is filed for an order to apply the property toward the judgment. **NOTE:** The social security number field is blacked out for security reasons on all parts except the garnishee copy.

TO THE DEFENDANT: See separate instructions.

1. Do not dispose of any negotiable instrument representing a debt of the garnishee or any negotiable instrument of title representing property in which you claim an interest held in the possession or control of the garnishee.
2. You have **14 days** after this writ is mailed or delivered to you to file objections with the court. If you do not take this action within this time, without further notice, the property or debt held under this writ may be applied to the judgment **28 days** after this writ was mailed or delivered to the garnishee.

TO THE GARNISHEE:

1. Within **7 days** after you are served with this writ, you must deliver a copy of this writ to the defendant in person or mail a copy to his or her last-known address by first-class mail.
2. Deliver no tangible or intangible property and pay no obligation to the defendant unless allowed by statute or court rule.
3. Within **14 days** after you are served with this writ, you must deliver or mail copies of your verified disclosure (form MC 14) to the court, plaintiff/attorney, and defendant. A default may be entered against you for failure to comply with this order.
4. If indebted to the defendant, you must withhold an amount not to exceed the amount of the judgment stated in item 2 of the request. Payment of withheld funds must be made **28 days** after you are served with this writ unless notified that an objection has been filed.
5. Make all payments withheld under this writ payable and mailed as specified in the request.
6. If you hold property other than money belonging to the defendant, do not transfer it until further order of the court.

Date of issue

Expiration date for service

Deputy court clerk

Approved, SCAO

<ul style="list-style-type: none"> • STATE OF MICHIGAN _____ JUDICIAL DISTRICT _____ JUDICIAL CIRCUIT 	REQUEST AND WRIT FOR GARNISHMENT (NONPERIODIC)	<ul style="list-style-type: none"> • CASE NO.
---------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------	---------------------------------------------------------------------

Court address • Zip Code Court telephone no.

Plaintiff's name and address (judgment creditor)
Plaintiff's attorney, bar no., and address
Telephone no.

v

Defendant's name and address (judgment debtor)
[REDACTED]
Garnishee name and address

REQUEST See instructions for item 2 on other side.

1. Plaintiff received judgment against defendant for \$ _____ on _____.
2. The total amount of judgment interest accrued to date is \$ _____. The total amount of postjudgment costs accrued to date is \$ _____. The total amount of postjudgment payments made and credits to date is \$ _____.
The amount of the unsatisfied judgment now due (including interest and costs) is • \$ _____.
3. Plaintiff knows or with good reason believes the garnishee is indebted to or possesses or controls property belonging to defendant.
4. **Plaintiff requests** a writ of nonperiodic garnishment be paid to plaintiff, plaintiff's attorney, the court, and mailed to plaintiff. plaintiff's attorney. the court.

I declare under the penalties of perjury that this request has been examined by me and that its contents are true to the best of my information, knowledge, and belief.

_____ Date

_____ Plaintiff/Agent/Attorney signature

WRIT OF GARNISHMENT To be completed by the court. See other side for additional information and instructions.

TO THE PLAINTIFF: You must provide all copies of the disclosure form (MC 14), two copies of this writ for serving on the garnishee, and a \$1.00 disclosure fee for serving on the garnishee. You are responsible for having these documents served on the garnishee within 182 days. If the disclosure states that the garnishee holds property **other than money** belonging to the defendant, you must motion the court within 56 days after the disclosure is filed for an order to apply the property toward the judgment. **NOTE:** The social security number field is blacked out for security reasons on all parts except the garnishee copy.

TO THE DEFENDANT: See separate instructions.

1. Do not dispose of any negotiable instrument representing a debt of the garnishee or any negotiable instrument of title representing property in which you claim an interest held in the possession or control of the garnishee.
2. You have **14 days** after this writ is mailed or delivered to you to file objections with the court. If you do not take this action within this time, without further notice, the property or debt held under this writ may be applied to the judgment **28 days** after this writ was mailed or delivered to the garnishee.

TO THE GARNISHEE:

1. Within **7 days** after you are served with this writ, you must deliver a copy of this writ to the defendant in person or mail a copy to his or her last-known address by first-class mail.
2. Deliver no tangible or intangible property and pay no obligation to the defendant unless allowed by statute or court rule.
3. Within **14 days** after you are served with this writ, you must deliver or mail copies of your verified disclosure (form MC 14) to the court, plaintiff/attorney, and defendant. A default may be entered against you for failure to comply with this order.
4. If indebted to the defendant, you must withhold an amount not to exceed the amount of the judgment stated in item 2 of the request. Payment of withheld funds must be made **28 days** after you are served with this writ unless notified that an objection has been filed.
5. Make all payments withheld under this writ payable and mailed as specified in the request.
6. If you hold property other than money belonging to the defendant, do not transfer it until further order of the court.

_____ Date of issue

_____ Expiration date for service

_____ Deputy court clerk

NONPERIODIC GARNISHMENTS

Definitions

Nonperiodic Garnishment - a garnishment of property or obligations made on a nonperiodic basis, including but not limited to bank accounts, property, money, goods, chattels, credits, and negotiable instruments or effects. **Do not use this form to garnish income tax refunds from the State of Michigan; see Michigan statutes for specific procedures to garnish state income tax.**

Additional Instructions for the Plaintiff:

You must provide information that will permit the garnishee to identify the defendant such as the defendant's address, social security number, account number, etc.

Instructions for Item 2:

If a civil judgment does not include judgment interest in the "total judgment" field, the interest amount reported in item 2 should be accrued from the date the complaint was filed.

If a civil judgment includes judgment interest in the "total judgment" field (as in the forms in use before the 5/07 revisions), the interest amount reported in item 2 should not include any postfiling interest already included in the judgment.

If the disclosure states that the garnishee holds property belonging to the defendant, you must motion the court (with notice to the defendant and the garnishee) for an order, which will tell the garnishee to take the defendant's property, sell it, and apply it toward your judgment. If there are no pending objections to the garnishment and you have not filed such a motion within 56 days after the filing of the disclosure, the garnishment is dissolved and the garnishee may release the property to the defendant.

Additional Instructions for the Defendant:

1. This writ has been issued because there is a judgment against you that you have not paid. In order to collect on this judgment, income owed to you may be withheld or property belonging to you may be taken from you and sold.
2. You may object to this garnishment if:
 - a. your income is exempt from garnishment by law,
 - b. you have a pending bankruptcy proceeding,
 - c. the maximum withheld exceeds the amount allowed by law,
 - d. you have paid the judgment in full,
 - e. the garnishment was not properly issued or is otherwise invalid.
3. You may send the plaintiff a written request to review postjudgment costs and fees listed in item 2 of the request. Within 28 days after receiving your request, the plaintiff must send an itemized list of the postjudgment costs and fees to you and the court. Within 28 days after receiving the itemized list, you may file a motion with the court to review the postjudgment costs and fees if you believe they are wrong. If the judge rules in your favor, the judge may order the motion fee to be deducted from the judgment balance.
4. Certain income is exempt from garnishment and the law gives you the right to claim this income as exempt to prevent it from being used to collect on this judgment. The following are examples of some types of income that are exempt from garnishment and the citations where each type may be found in the law. This is not intended as a complete list. You may want to contact your lawyer or legal aid agency for further assistance.

EXAMPLES OF INCOME EXEMPT FROM GARNISHMENT

The following are examples of **some** types of income that are exempt from garnishment and the citations where each type may be found in the law. **Please note that this is not intended as a complete list. You may want to contact your lawyer or legal aid agency for further assistance.**

- Individual Retirement Account (IRA) - [MCL 600.6023(1)(k)]
- Social Security Benefits - [42 USC, Section 407]
- Supplemental Security Income Benefits (SSI) - [42 USC, Section 1383(d)]
- Aid to Families with Dependent Children (AFDC) - [MCL 400.63]
- General Assistance Benefits (GA) - [MCL 400.63]
- Unemployment Compensation Benefits - [MCL 421.30]
- Veterans Assistance Benefits - [38 USC, Section 3101]
- Workers' Compensation Benefits - [MCL 418.821]
- The first \$500.00 on deposit in a savings and loan savings account - [MCL 491.628]
- Cash value or proceeds of life insurance or annuity, payable to the spouse or children of the insured - [MCL 500.2207(1)]
- Income benefits under the Michigan Civil Service Act - [MCL 38.40]
- Income benefits under the Michigan Retirement Act - [MCL 421.30]
- U.S. Civil Service Retirement Benefits - [5 USC, Section 8346]

PROOF OF SERVICE

TO PROCESS SERVER: You must serve the garnishee with two copies of the request and writ of garnishment, a disclosure form, and any applicable fee, and file proof of service with the court clerk as directed by the plaintiff. If you are unable to complete service, you must return this original and all copies to the court clerk.

CERTIFICATE / AFFIDAVIT OF SERVICE / NONSERVICE

<input type="checkbox"/> OFFICER CERTIFICATE I certify that I am a sheriff, deputy sheriff, bailiff, appointed court officer, or attorney for a party [MCR 2.104(A)(2)], and that: (notarization not required)	OR	<input type="checkbox"/> AFFIDAVIT OF PROCESS SERVER Being first duly sworn, I state that I am a legally competent adult who is not a party or an officer of a corporate party, and that: (notarization required)
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

I served two copies of the request and writ of garnishment, a disclosure form, and any applicable fee by:
 personal service registered or certified mail (copy of return receipt attached) on:

Garnishee name	Complete address of service	Day, date, time
----------------	-----------------------------	-----------------

I have personally attempted to serve the writ of garnishment, a disclosure form, and any applicable fee on the garnishee and have been unable to complete service.

Garnishee name	Complete address of service	Day, date, time
----------------	-----------------------------	-----------------

I declare under the penalties of perjury that this certificate has been examined by me and that its contents are true to the best of my information, knowledge, and belief.

Service fee	Miles traveled	Fee	
\$		\$	
Incorrect address fee	Miles traveled	Fee	TOTAL FEE
\$		\$	\$

Signature

Name (type or print)

Title

Subscribed and sworn to before me on _____
Date

Deputy clerk/Notary public signature

Name (type or print)

My commission expires: _____
Date

Notary public, State of Michigan, County of _____ . Acting in the County of _____ .
 This notarial act was performed using an electronic notarization system or a remote electronic notarization platform.

ACKNOWLEDGMENT OF SERVICE

I acknowledge that I have received two copies of the request and writ of garnishment, a disclosure form, and any applicable fee on _____
Day, date, time

Signature on behalf of _____

STATE OF MICHIGAN JUDICIAL DISTRICT JUDICIAL CIRCUIT COUNTY	GARNISHEE DISCLOSURE	CASE NO. and JUDGE
--------------------------------------------------------------------------------	-----------------------------	---------------------------

Court address Court telephone no.

Plaintiff's name, address, and telephone no. (judgment creditor)	v	Defendant's name, address, and telephone no. (judgment debtor)
Plaintiff's attorney, bar no., address, and telephone no.		Garnishee name and address

SEE INSTRUCTIONS

1. This disclosure is for a writ of garnishment issued on _____ and received by garnishee on _____ .
- a. The garnishee mailed or delivered a copy of the writ of garnishment to the defendant on _____ .
 - b. The garnishee was unable to mail or deliver a copy of the writ of garnishment to the defendant.
 - c. The garnishee will not withhold payments under the writ of garnishment. The writ of garnishment was served after the deadline date for service and the writ is invalid.

2. At the time of service of the writ:

Nonperiodic Garnishments

a. The garnishee is not indebted to the defendant for any amount and does not possess or control the defendant's property, money, etc. Reason: _____

b. The garnishee is indebted to the defendant for nonperiodic payments as follows:

Description of property, money, negotiable instruments, etc. under garnishee's control	Type of account, if applicable

The amount to be withheld is \$ _____ and does not exceed the amount stated in item 2 of the writ.

c. Withholding is exempt because _____
State the exemption and legal authority

Periodic Garnishments

d. The garnishee is not obligated to pay the defendant during the period of the writ.

Reason: not employed. other _____

2. (continued)

e. The garnishee is obligated to pay the defendant during the period of the writ.

Payments are for earnings. nonearnings _____
Specify nature of payment (see instructions on next page)

Payments are made weekly. biweekly. semimonthly. monthly. other: _____
frequency of payment

A higher priority writ/order is is not currently in effect. If a higher priority writ/order is in effect, complete the following.

Name of court that issued higher priority writ/order Case number Date issued Date served

Withholding under this writ

will begin immediately if sufficient funds are available.

will not begin immediately because defendant is laid off. sick. on leave. other: _____
specify

I declare under the penalties of perjury that this disclosure has been examined by me and that its contents are true to the best of my information, knowledge, and belief.

Date

Garnishee/Agent/Attorney signature

CERTIFICATE OF MAILING

I certify that:

on _____ I mailed or personally delivered the original of this disclosure to the court.

on _____ I mailed or personally delivered a copy of this disclosure to the plaintiff/attorney.

on _____ I mailed or personally delivered a copy of this disclosure to the defendant.

I declare under the penalties of perjury that this certificate of mailing has been examined by me and that its contents are true to the best of my information, knowledge, and belief.

Date

Garnishee/Agent/Attorney signature

DO NOT Include Your Payment With This Disclosure. See item 3 of How to Fill Out Garnishee Disclosure Form.

GARNISHEE INSTRUCTIONS

Definitions

- A garnishment is a court order allowing the plaintiff (creditor) to take part or all of money owed to the defendant to pay for a judgment. You have been identified as a “garnishee,” a person who has control over some or all of the money that is paid to the defendant.
- Periodic payments are payments you make to the defendant on a regular basis. These payments could be paychecks, rent payments, land contract payments, or other contract payments.
- Nonperiodic payments include bank accounts, other property, money, goods, chattels, credits, negotiable instruments or effects, or earnings in the form of bonuses that are not paid to the principal defendant on a periodic basis. The rest of these instructions do not apply to garnishment of property, which needs to be sold before it can be applied to the judgment.

Responsibility to Disclose: Within 14 days after being served with the writ of garnishment, you must deliver or mail copies of this completed disclosure to the court, plaintiff’s attorney (or plaintiff, if no attorney), and the defendant. This applies even if you are not indebted or not obligated to make periodic payments to the defendant. No further disclosures are required.

Withholding Instructions: As the garnishee, you are being court ordered to withhold all or part of the money you owe the defendant to pay the plaintiff’s judgment. You are required to withhold money until the plaintiff’s judgment is satisfied or the court orders otherwise. If you do not do this, a judgment may be entered against you.

1. Determine when funds should be withheld.

- a. If item 2b is checked, funds or other property available at the time of service of the writ must be withheld from the defendant from the time of this disclosure.
- b. If item 2e is checked, funds must be withheld for each period you are indebted to the defendant. For example, if the defendant is your employee and he or she is paid weekly, you would withhold weekly.

Determine the date withholding will begin as follows.

- 1) For garnishees with weekly, biweekly, or semimonthly pay periods, withholding begins with the first full pay period after the writ was served.
- 2) For garnishees on a monthly pay period.
 - if the writ is served on the garnishee within the first 14 days of the pay period, withholding begins on the date the writ was served.
 - if the writ is served on or after the 15th day of the pay period, withholding begins on the next full pay period after the writ was served.

2. Priority Writs or Orders and Multiple Writs (for periodic garnishments only):

Garnishments with a higher priority than this garnishment of periodic payments are

- orders of bankruptcy court.
 - orders for past due federal or state taxes.
 - income withholding for support of any person.
 - other general garnishments served before this writ.
- a. If a higher priority writ/order is currently in effect and withholding under this writ is not appropriate at this time, you must keep this writ until (1) the higher priority writ/order has been satisfied or is otherwise not applicable, (2) the defendant’s wages are sufficient for multiple writs, or (3) other circumstances change, which make funds available. Then, you must determine whether withholding can begin under this writ.
 - b. If a higher priority writ/order is served on you while this writ is in effect and there is not enough money available for multiple writs, you must suspend withholding under this writ and inform the plaintiff of that fact.
 - c. The plaintiff may not file another writ of garnishment of periodic payments for the same defendant, garnishee, and judgment while the existing writ is pending.

3. Determine the amount to be withheld. The amount withheld cannot exceed the amount of the balance of the judgment specified in item 2 of the request. For periodic garnishment of earnings only, a calculation sheet (the last sheet of this multipart form) is provided to determine the amount to be withheld. You do not need to use this calculation sheet, but if you do, you are not required to file it with the court or provide it to the defendant and plaintiff. However, a record of payment calculations must be maintained and made available for review by the plaintiff, defendant, or court upon request.

Payment Instructions: Determine when disclosed amounts may be released. Funds available under this writ of garnishment may not be released to the plaintiff or court until 28 days after you were served with the writ. After 28 days, funds must be paid as ordered in this writ unless otherwise notified by the court.

For periodic garnishments only. After 28 days from the date of the service of the writ on the garnishee, the garnishee shall transmit all withheld funds to the plaintiff or the court as directed by the court unless notified that objections have been filed. Every time a periodic payment is withheld, the garnishee must provide the plaintiff, defendant (and the court if funds are deposited with the court) with the case name, case number, date of withholding, amount withheld, and the balance due on the writ. At least once every six months, the creditor must provide a statement of the balance remaining on the judgment, including interest and costs. The garnishee should rely on this statement to determine when the judgment is satisfied.

Final Statement Instructions: A final statement of withholding is required for periodic garnishments. Within 14 days after the garnishee is no longer obligated to make periodic payments or the judgment is satisfied, the garnishee must file with the court and mail or deliver to the plaintiff and defendant a final statement of the total amount paid on the writ. The statement must include the names of the parties, the court in which the case is pending, the case number, the date of the statement, and the total amount withheld. The “Final Statement on Garnishment of Periodic Payments” form (Form MC 48) can be used for this.

HOW TO FILL OUT THE GARNISHEE DISCLOSURE FORM

1. Determine whether you are obligated to make periodic payments to the defendant.
2. Write in the date the garnishment was issued (found in the lower left-hand corner of the Request and Writ of Garnishment) and the date you received the Request and Writ for Garnishment and Garnishee Disclosure forms on line 1 of the Garnishee Disclosure.
 - Determine if the writ is valid. The plaintiff is required to serve the Request and Writ for Garnishment within 182 days from the date it was issued. If the Request and Writ for Garnishment was not served within this time, it is invalid. If it is invalid, check box 1c. Date and sign the form and follow the instructions in item 3 below. If the writ is valid, continue on.
 - If you don't know the defendant or are not obligated to make payments to him or her, check boxes 1b and 2d. Then check the box that describes the reason you are not obligated. If you check "other," write out the reason. Date and sign the form and follow the instructions in item 3 below.
 - If you know the defendant and are obligated to make payments to him or her, you must mail or deliver a copy of the Request and Writ for Garnishment to the defendant. After mailing or delivering it to the defendant, check box 1a and write in the date you mailed or delivered it. Follow the instructions in item 2 below. The term "obligated to pay" includes employees who may not necessarily be receiving a paycheck at the time. For example, employees may be sick, laid off, or on leave when this writ was issued, but they are still your employees and will eventually be back to work.
3. Check box 2e and complete the information in item 2e as explained below.
 - Check either the box "earnings" or "nonearnings" so the plaintiff knows what kind of payments you make to the defendant. If you check "nonearnings," write in the kind of payments (for example, if you make rent payments, write that on the line after the "nonearnings" box).
 - Check the box that describes how often you make the payments to the defendant. If you check the "other" box, write on the line after that box how often you make the payments.
 - Check whether or not you are already garnishing money from the defendant (a higher priority writ/order). If you check the box that a higher priority writ/order is in effect, copy from those papers the name of the court that issued that writ, the case number of that writ, the date that writ was issued, and the date it was served on you.
 - If the defendant is currently due to receive payments from you from the date the writ was issued, check the box that says withholding "will begin immediately if sufficient funds are available." If the defendant is not due to receive a payment, check the box that says "will not begin immediately." Then check the box that explains why payment is not due; for example, defendant is laid off, sick, or on leave of absence.

Date and sign the form and follow the instructions in item 4.
4. Fill in the dates that you will be mailing or delivering the copies of this form. Date and sign this part of the form. Separate the four copies of the form. Mail the original to the court and one copy to the plaintiff. You can either mail a copy to the defendant or hand deliver it to him or her. Keep one copy for your records.

See next page for calculation sheet.

You do not need to use this calculation sheet. If you do, it does not need to be filed with the court or provided to the defendant and plaintiff. However, you must maintain some type of record of your payment calculations and make it available for review by the plaintiff, defendant, or court upon request.

GARNISHEE CALCULATION SHEET FOR EARNINGS

1. The employer's current payday is _____ . The principal defendant's gross earnings from the employer that were earned for this pay period are: \$ _____

2. Deductions required by law to be withheld from gross earnings shown on line 1:
 - a. Federal withholding tax (for income tax) \$ _____
 - b. State withholding tax (for income tax) \$ _____
 - c. Employee portion of social security tax \$ _____
 - d. Employee portion of medicare tax \$ _____
 - e. City withholding tax (for income tax) \$ _____
 - f. Public employee retirement when required by law \$ _____
 - g. Total (add lines 2a through 2f) \$ _____

3. **Disposable earnings** (subtract line 2g from line 1) \$ _____

4. Test I for amount available for garnishment (25% of line 3): (this percentage does not apply to garnishments for support of a person) \$ _____

5. Test II for amount available for garnishment (disposable earnings minus federal minimum wage multiplied by appropriate multiple for normal pay period):
 - a. Locate the appropriate figure from the chart below and insert here \$ _____
 - b. Subtract amount on line 5a from amount on line 3. Insert amount here. If the amount is less than zero, enter -0-. \$ _____

6. Maximum amount subject to garnishment (line 4 or 5b, whichever is less) \$ _____

7. Amounts withheld from disposable earnings (see line 3) pursuant to orders with priority:
 - a. Order of bankruptcy court \$ _____
 - b. Orders for past due federal or state taxes \$ _____
 - c. Income withholding for support of any person \$ _____
 - d. Other general garnishments served prior to this writ \$ _____
 - e. Total of all priority amounts withheld (add lines 7a through 7d) \$ _____

8. Amount subject to garnishment under this writ (subtract line 7e from line 6) \$ _____

9. **Amount to be withheld in response to this writ** (line 8 above or line 2 on the request and writ for garnishment, whichever is less) \$ _____

Chart*	
Test II for Amount Available for Garnishment	Beginning: <u>July 24, 2009</u>
Weekly (or more frequently) pay period	\$217.50
Biweekly pay period	\$435.00
Semimonthly pay period	\$471.25
Monthly pay period	\$942.50
*Training wage: for person aged 16 to 19 on their first job, use 85% of the above figures.	

STATE OF MICHIGAN JUDICIAL DISTRICT JUDICIAL CIRCUIT	FINAL STATEMENT ON GARNISHMENT OF PERIODIC PAYMENTS	CASE NO.
---------------------------------------------------------------------	----------------------------------------------------------------	-----------------

Court address

Court telephone no.

Plaintiff's name and address (judgment creditor)
Plaintiff's attorney, bar no., address, and telephone no.

v

Defendant's name and address (judgment debtor)
Garnishee's name and address

When to complete and file this form:

Within 14 days after the writ ceases to be effective under MCR 3.101(B)(1) or after the garnishee is no longer obligated to make periodic payments, the garnishee shall file with the court and mail or deliver to the plaintiff and the defendant a final statement of the total amount paid on the writ. If the garnishee is the defendant's employer, the statement is to be filed within 14 days after the writ ceases to be effective, regardless of changes in employment status during the time that the writ was in effect.

1. The total amount withheld under this writ is \$ _____ .

Date of statement

Garnishee/Agent/Attorney signature

CERTIFICATE OF MAILING

I certify that on:

_____ I mailed or personally delivered a copy of this final statement with the court.
Date

_____ I mailed or personally delivered a copy of this final statement to the plaintiff/attorney.
Date

_____ I mailed or personally delivered a copy of this final statement to the defendant.
Date

Date

Garnishee/Agent/Attorney signature

STATE OF MICHIGAN JUDICIAL DISTRICT JUDICIAL CIRCUIT	OBJECTIONS TO GARNISHMENT AND NOTICE OF HEARING	CASE NO.
---------------------------------------------------------------------	------------------------------------------------------------	-----------------

Court address Court telephone no.

Plaintiff's name, address, and telephone no. (judgment creditor)
Plaintiff's attorney, bar no., address, and telephone no.

v

Defendant's name, address, and telephone no. (judgment debtor)
Garnishee's name, and address

OBJECTIONS TO GARNISHMENT

- 1. I object to the writ of garnishment issued on _____ and request a hearing because

a. the funds or property are exempt (protected) from garnishment by law.
 b. of bankruptcy proceedings. Case No: _____
 c. I have an installment payment order, issued on _____. Court: _____ Case No: _____
 d. the maximum amount permitted by law is already being withheld by another court order.
 e. the judgment has been paid.
 f. the writ was not properly issued or is otherwise invalid because _____

- 2. I object to the written statement I received from the creditor because the balance of the judgment is wrong.

- 3. I was served with the writ of garnishment written statement on _____

Date

Date Signature of defendant

To be completed by the court.

NOTICE OF HEARING ON OBJECTIONS

- 1. A hearing will be held on _____ at _____ at _____

Date Time Location

- _____ before Hon. _____.
- 2. The defendant and plaintiff are required to appear.
- 3. The garnishee is is not required to appear.
- 4. a. Objections were filed within 14 days of the defendant being served with the writ of garnishment or written statement.
The garnishee shall continue to withhold funds but shall **not** release withheld funds until further order of the court.
- b. Objections were filed 14 days or more after the defendant was served with the writ of garnishment or written statement.
The garnishee shall continue to withhold and release funds unless otherwise ordered by the court.

Date Deputy court clerk

If you require special accommodations to use the court because of a disability or if you require a foreign language interpreter to help you fully participate in court proceedings, please contact the court immediately to make arrangements.

CERTIFICATE OF MAILING

I certify that on this date I served a copy of this objection and notice on the parties or their attorneys by first-class mail addressed to their last-known addresses as defined by MCR 2.107(C)(3).

Date Defendant's signature/District court clerk

STATE OF MICHIGAN JUDICIAL DISTRICT JUDICIAL CIRCUIT	ORDER ON OBJECTIONS TO GARNISHMENT	CASE NO.
---------------------------------------------------------------------	-----------------------------------------------	-----------------

Court address

Court telephone no.

Plaintiff's name, address, and telephone no. (judgment creditor)
Plaintiff's attorney, bar no., address, and telephone no.

v

Defendant's name, address, and telephone no. (judgment debtor)
Garnishee's name and address

- On _____ the defendant filed an objection to the writ of garnishment dated _____ .
Date
- A hearing on the objection was held on _____ .
Date
- The objections are
 valid.
 invalid.

IT IS ORDERED:

- The garnishee shall
 a. immediately release
 all withheld funds
 \$ _____
to the
 plaintiff/attorney.
 court.

The garnishee shall continue withholding and payment of funds as previously ordered by the court.

- b. immediately release all withheld funds to the defendant. The writ of garnishment is released.

Date

Judge Bar no.

CERTIFICATE OF MAILING

I certify that on this date I served a copy of this order on the parties or their attorneys by first-class mail addressed to their last-known addresses as defined in MCR 2.107(C)(3).

Date

Deputy court clerk

Approved, SCAO

STATE OF MICHIGAN JUDICIAL DISTRICT JUDICIAL CIRCUIT	GARNISHMENT RELEASE	CASE NO.
---------------------------------------------------------------------	----------------------------	-----------------

Court address

Court telephone no.

Plaintiff's name and address (judgment creditor)

Defendant's name and address (judgment debtor)

v

Plaintiff's attorney, bar no., address, and telephone no.

Garnishee's name and address

Defendant's social security no.

TO THE GARNISHEE:

- 1. The garnishment issued on _____ is withdrawn by the plaintiff.
Date
 The withdrawal was authorized on _____ by _____.
Date Plaintiff/Attorney Bar no.
- 2. The garnishment issued on _____ is cancelled by the court.
Date
- 3. You are released from further liability in connection with this garnishment.
- 4. Any amounts withheld by the garnishee on or after _____ shall be returned to the defendant
 and any further withholdings shall be discontinued. Date

Date

Deputy court clerk

CERTIFICATE OF MAILING

Use note: does not need to be completed if the document is served through MiFILE.

I served a copy of this release on the parties or their attorneys by first-class mail addressed to their last-known addresses as defined by MCR 2.107(C)(3). I declare under the penalties of perjury that this certificate of mailing has been examined by me and that its contents are true to the best of my information, knowledge, and belief.

Date

Signature

TO THE PLAINTIFF: The social security number field is blacked out on the court copy for security reasons, but will appear on the garnishee, defendant, and plaintiff copies.

Approved, SCAO

STATE OF MICHIGAN JUDICIAL DISTRICT JUDICIAL CIRCUIT	GARNISHMENT RELEASE	CASE NO.
---------------------------------------------------------------------	----------------------------	-----------------

Court address

Court telephone no.

Plaintiff's name and address (judgment creditor)

Defendant's name and address (judgment debtor)

v

Plaintiff's attorney, bar no., address, and telephone no.

Garnishee's name and address



TO THE GARNISHEE:

- 1. The garnishment issued on _____ is withdrawn by the plaintiff.
Date
 The withdrawal was authorized on _____ by _____
Date Plaintiff/Attorney Bar no.
- 2. The garnishment issued on _____ is cancelled by the court.
Date
- 3. You are released from further liability in connection with this garnishment.
- 4. Any amounts withheld by the garnishee on or after _____ shall be returned to the defendant
 and any further withholdings shall be discontinued. Date

Date

Deputy court clerk

CERTIFICATE OF MAILING

Use note: does not need to be completed if the document is served through MiFILE.

I served a copy of this release on the parties or their attorneys by first-class mail addressed to their last-known addresses as defined by MCR 2.107(C)(3). I declare under the penalties of perjury that this certificate of mailing has been examined by me and that its contents are true to the best of my information, knowledge, and belief.

Date

Signature

TO THE PLAINTIFF: The social security number field is blacked out on the court copy for security reasons, but will appear on the garnishee, defendant, and plaintiff copies.

STATE OF MICHIGAN JUDICIAL DISTRICT JUDICIAL CIRCUIT	MOTION AND AFFIDAVIT FOR INSTALLMENT PAYMENTS/TO AMEND ORDER FOR INSTALLMENT PAYMENTS	CASE NO.
---------------------------------------------------------------------	------------------------------------------------------------------------------------------------------	-----------------

Court address _____ Court telephone no. _____

Plaintiff's name (judgment creditor), address, and telephone no.

Defendant's name (judgment debtor), address, and telephone no.

v

Plaintiff's attorney, bar no., address, and telephone no.

See instructions on reverse side

Date of judgment: _____

Amount of judgment (including costs): \$ _____

Approximate balance due on judgment: \$ _____

1. A judgment was entered against me in this case as stated above. I submit the following information:
2. My average income is about \$ _____ every week. two weeks. month.
 I am employed and the name and address of my employer is _____.

I am not employed. I am receiving unemployment benefits.

I have a vehicle: Year: _____ Make: _____ Model: _____ Amount Owed: \$ _____

The total amount in all my bank accounts is \$ _____.

Write down any other assets and how much they are worth. If you need more space, attach a separate sheet.

I pay \$ _____ in rent/mortgage every month. I pay \$ _____ in utilities (water, electricity, gas) every month.

I pay \$ _____ for court-ordered child support. I pay \$ _____ for court-ordered _____.

Write down any other obligations and how much you pay. If you need more space, attach a separate sheet.

3. a. I ask this court for an order allowing installment payments of the judgment in the amount of \$ _____ every week two weeks month starting _____, and that no garnishment for wages/personal work and labor issue on this judgment as long as payment is made. **OR**

b. I have an order for installment payments, but my circumstances have changed and I ask this court for an amended order in the amount of \$ _____ every week two weeks month starting _____ until paid in full or until further order of the court.

4. A writ of garnishment for periodic payments was issued on _____ . I ask that it be suspended.

5. This affidavit is made on my personal knowledge and, if sworn as a witness, I can testify competently to the facts in this motion and affidavit.

Defendant's signature

Subscribed and sworn to me on _____, _____ County, Michigan.
Date

My commission expires: _____ Signature: _____
Date Notary public/Deputy court clerk

Notary public, State of Michigan, County of _____

CERTIFICATE OF MAILING

I certify that on this date I served a copy of this motion on the parties or their attorneys by first-class mail to their last-known addresses as defined in MCR 2.107(C)(3).

Date Defendant's signature/District court clerk

NOTICE TO PLAINTIFF: If you do not file objections to the motion with the court and serve them on the defendant within 14 days from the mailing of this motion, the motion will be granted without further hearing. If you file timely objections, the court will decide the motion based on the papers filed or will notify the parties that a hearing will be required.

STATE OF MICHIGAN JUDICIAL DISTRICT JUDICIAL CIRCUIT	ORDER REGARDING INSTALLMENT PAYMENTS <input type="checkbox"/> AMENDED	CASE NO.
---------------------------------------------------------------------	--------------------------------------------------------------------------------------------	-----------------

Court address Court telephone no.

Plaintiff's name (judgment creditor), address, and telephone no.

Defendant' name (judgment debtor), address, and telephone no.

v

Plaintiff's attorney, bar no., address, and telephone no.

Garnishee's name, address, and telephone no.

Date of judgment: _____ Amount of judgment (including costs): \$ _____

1. The defendant filed a motion for installment payments with this court on _____ .
Date

2. The court entered a writ of garnishment for periodic payments on _____ .
Date

IT IS ORDERED:

3. The motion for installment payments is denied for the reasons stated on the record or for the following reasons:

4. The defendant shall pay the judgment in installments as follows:

\$ _____ every week two weeks month starting _____ .

No writ of garnishment on this judgment shall issue for wages/personal work and labor until further order of the court.

5. The writ for periodic payments issued on _____ is suspended and the garnishee is ordered to
Date

discontinue withholding amounts under the writ unless otherwise ordered by the court. Any funds deposited with the court or held by the garnishee before the date of this order shall be paid and mailed to the plaintiff/plaintiff's attorney.

6. **FURTHER ORDERS:** If the defendant fails to make the above payments, the plaintiff may file a motion to set this order aside. Copies of the motion must be served by first-class mail to the defendant's last-known address. An order setting aside the installment payments will be entered 14 days from the date of mailing of the motion to set aside installment payments unless the defendant, within that time, requests a hearing.

Date

Judge Bar no.

Instructions to Defendant: Do not serve the order on the garnishee if the motion for installment payments is denied.

CERTIFICATE OF MAILING

I certify that on this date I served a copy of this order on the parties or their attorneys by first-class mail addressed to their last-known addresses as defined by MCR 2.107(C)(3).

Date

Signature

STATE OF MICHIGAN JUDICIAL DISTRICT JUDICIAL CIRCUIT	MOTION TO SET ASIDE ORDER FOR INSTALLMENT PAYMENTS	CASE NO.
---------------------------------------------------------------------	---------------------------------------------------------------	-----------------

Court address _____ Court telephone no. _____

Plaintiff's name (judgment creditor), address, and telephone no.

Defendant's name (judgment debtor), address, and telephone no.

v

Plaintiff's attorney, bar no., address, and telephone no.

Date of judgment: _____

Amount of judgment (including costs): \$ _____

Approximate balance due on judgment: \$ _____

1. A judgment was entered against defendant, and an order allowing the judgment to be paid in installments was entered on

_____. The defendant has failed to pay the installments as agreed:
Date _____

Explain _____

2. A writ of garnishment for periodic payments, issued on _____, was suspended on

_____.
Date _____

3. **I ask** this court to set aside the order for installment payments. I understand if a hearing is not requested by the defendant within 14 days from the date this motion is mailed, the payment order may be set aside.

Date

Plaintiff/Attorney signature

CERTIFICATE OF MAILING

I certify that on this date I served a copy of this motion on the parties or their attorneys by first-class mail to their last-known addresses as defined in MCR 2.107(C)(3).

Date

Signature

NOTICE TO DEFENDANT

If you do not request a hearing with the court within 14 days from the mailing of this motion, an order setting aside installment payments will be entered without further notice. The plaintiff can then get a periodic writ of garnishment to have your wages garnished.

STATE OF MICHIGAN JUDICIAL DISTRICT JUDICIAL CIRCUIT	ORDER ON MOTION TO SET ASIDE ORDER FOR INSTALLMENT PAYMENTS	CASE NO.
---------------------------------------------------------------------	----------------------------------------------------------------------------	-----------------

Court address

Court telephone no.

Plaintiff's name (judgment creditor), address, and telephone no.

Defendant's name (judgment debtor), address, and telephone no.

v

Plaintiff's attorney, bar no., address, and telephone no.

Garnishee's name, address, and telephone no.

Date of judgment: _____ Amount of judgment (including costs): \$ _____

IT IS ORDERED:

1. The motion is denied because:

2. The motion is granted and a writ of periodic garnishment may be issued.

The writ of garnishment for periodic payments issued on _____ and suspended on _____
Date

_____ is again effective and retains its priority.
Date

If the defendant moves for another order for installment payments within 91 days after this order is entered, the court will assess costs against the defendant as a condition of entry of the new order unless good cause is shown.

Date

Judge Bar no.

Instructions to Plaintiff: Do not serve the order on the garnishee if the motion to set aside installment payments is denied.

CERTIFICATE OF MAILING

I certify that on this date I served a copy of this order on the parties or their attorneys by first-class mail addressed to their last-known addresses as defined in MCR 2.107(C)(3).

Date

Signature

FICC TELEBRIEFING

January 25 and 26, 2022

Recent Developments

PRESENTED BY

HOWARD A. LAX
HLAX@BODMANLAW.COM

BODMAN PLC
SUITE 500
201 W. BIG BEAVER ROAD
TROY, MICHIGAN 48084
248-743-6011

www.bodmanlaw.com

bodman
ATTORNEYS & COUNSELORS

Recent Developments

AML/BSA

Additions to the SDN List and Other Sanctions. On December 15, 2021, President Biden signed a new Executive Order, “[Imposing Sanctions on Foreign Persons Involved in the Global Illicit Drug Trade](#),” to modernize the Department of the Treasury’s sanctions authorities used to target any foreign person engaged in drug trafficking activities, regardless of whether they are linked to a specific kingpin or cartel. It further enables Treasury to sanction foreign persons who knowingly receive property that constitutes, or is derived from, proceeds of illicit drug trafficking activities. In addition, OFAC added 10 individuals and 15 entities in China, Brazil, Mexico, and Columbia to the SDN list for trafficking various illegal drugs and chemicals, and for laundering drug money.

On December 16, 2021, OFAC added Chinese entities Cloudwalk Technology Co., Ltd.; Dawning Information Industry Co., Ltd.; Leon Technology Company Limited; Megvii Technology Limited; Netposa Technologies Limited; SZ DJI Technology Co., Ltd.; Xiamen Meiya Pico Information Co., Ltd.; and Yitu Limited to the SDN list for supporting biometric surveillance and tracking of ethnic and religious minorities in China. On December 17, 2021, OFAC added Ali Darassa to the SDN list for serious human rights abuses stemming from his leadership of the Central African Republic based militia group, Union for Peace in the Central African Republic (UPC). UPC’s militants have killed, tortured, raped, and displaced thousands of people since 2014. On December 22, 2021, OFAC added several Brazilian individuals and one entity associated with the Brazilian network of al-Qa’ida to the SDN list. On January 5, 2022, OFAC added Milorad Dodik, who is a member of the Presidency of Bosnia and Herzegovina (BiH), as well as one entity under his control, Alternativna Televizija d.o.o. Banja Luka, to the SDN list in response to Dodik’s corrupt activities and continued threats to the stability and territorial integrity of BiH. On January 10, 2022, OFAC and EU officials added six Nicaraguan officials to the SDN list for conducting a sham election, silencing critics, and holding hundreds of political prisoners. On January 12, 2022, OFAC added five North Koreans, located in China and Russia, to the SDN list for support of and acquisition of materials for North Korea’s WMD program. On January 18, 2022, OFAC added three Hizballah-linked financial facilitators and their Lebanon-based travel company to the SDN list. On January 20, 2022, OFAC added four individuals to the SDN list who are engaged in Russian government-directed influence activities to destabilize Ukraine. On January 21, 2022, OFAC added three individuals and ten entities to the SDN list to target Hizballah’s misuse of the international financial system to raise and launder funds.

On December 22, 2021, OFAC issued three General Licenses to facilitate the continued flow of humanitarian assistance and other support for the Afghan people. On January 20, 2022, OFAC issued Venezuela-related [General License 5I](#), "Authorizing Certain Transactions Related to the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond on or After January 20, 2023". In addition, OFAC is updating Venezuela-related [Frequently Asked Question 595](#).

OFAC Regulations Amended. OFAC [amended](#) its Weapons of Mass Destruction (WMD) Trade Control Regulations to add a June 28, 2005 Executive Order as an authority, remove

Appendix I, and modify three definitions referencing the appendix. Persons who are subject to this rule are now named in Department of State publications in the Federal Register rather than in Appendix I.

In addition, OFAC [amended the Transnational Criminal Organizations Sanctions Regulations](#) and reissued them in their entirety. The amended rule is effective upon publication in the Federal Register. The amended rule adds material regarding recent Executive Orders, adds new licenses, and reorganizes the rule into seven functional subparts.

FinCEN

RFI on Modernization of U.S. AML/CFT Regulatory Regime. FinCEN issued a [request for information](#) (RFI) seeking comments on ways to streamline, modernize, and update the anti-money laundering and countering the financing of terrorism (AML/CFT) regime of the United States. The early comments will be incorporated into a report to Congress that was expected by January 1, 2022, and will that contain the findings and determinations that result from the formal review, including administrative and legislative recommendations. However, comments may be submitted to FinCEN until February 14, 2022.

BSA Penalties Amendment. FinCEN [amended](#) the BSA civil penalty regulations relating to the requirements for reporting foreign financial accounts and for reporting transactions with foreign financial agencies. The amendments remove civil penalty language, which was made obsolete with the enactment of the American Jobs Creation Act of 2004. The American Jobs Creation Act of 2004 revised the manner for computing the penalty, including providing a greater maximum penalty for willful violations than was previously authorized. These changes are effective immediately.

Wildlife Trafficking SARs. FinCEN published a [Financial Threat Analysis](#) on wildlife trafficking threat patterns and trend information identified in BSA data. The report details efforts to combat wildlife trafficking and the associated movement of illicit proceeds, which are estimated to be valued between \$7 and \$23 billion per year and account for a quarter of all wildlife trade. This analysis indicates that wildlife trafficking is affecting the U.S. financial sector. Overall, wildlife trafficking-related SARs filed between January 2018 and October 2021 trended significantly up, and SARs filed in 2021 are on track to meet or exceed the number of SARs filed in 2020.

Tech Sprint. FinCEN and the FDIC [announced](#) that it will soon open registration for individuals to participate in a Tech Sprint to develop solutions for financial institutions and regulators to help measure the effectiveness of digital identity proofing—the process used to collect, validate, and verify information about a person, to increase efficiency and account security; reduce fraud and other forms of identity-related crime, money laundering, and terrorist financing; and foster customer confidence in the digital banking environment.

Fines, Settlements, and Orders

Transgressor	Fine or Order, and Date	Wrongful Action
National Westminster Bank Plc	£264,772,619.95 FCA criminal fine (about \$350 Million); 12-13-2021	Failure to properly monitor and report £365 Million in deposits by a jeweler, most of which was in cash.
CommunityBank of Texas, N.A.	\$1 million OCC fine and \$7 million FinCEN fine	The bank admitted that it willfully failed to implement and maintain an effective AML program, and willfully failed to report hundreds of suspicious transactions to FinCEN involving illegal financial activity by its customers and processed by, at, or through the bank, even after the bank became aware that certain customers were subjects of criminal investigations.
TD Bank, N.A.	\$115,005.04 OFAC fine; 12-23-2021	TDBank N.A. processed 1,479 transactions totaling \$382,685.38 and maintained nine accounts on behalf of employees of the North Korean mission to the United Nations without a license from OFAC. TDBNA also maintained two accounts for more than four years for a U.S. resident who was listed on OFAC's SDN list.
Airbnb Payments, Inc.	\$91,172.29 OFAC fine; 1-3-2022	Airbnb Payments processed payments related to "Stays" transactions in Cuba by Airbnb, Inc., and "Guests" traveling for reasons outside of OFAC's 12 authorized categories.
Sojitz (Hong Kong) Limited	\$5,228,298 OFAC fine; 1-11-2022	Sojitz HK made U.S. dollar payments through U.S. financial institutions for Iranian-origin high density polyethylene resin (HDPE) from its bank in Hong Kong to the HDPE supplier's banks in Thailand.
PrivatBank (Ukraine)	USDOJ forfeiture lawsuit; 1-20-2022	Ihor Kolomoisky and Gennadiy Boholiubov, who owned PrivatBank, embezzled and defrauded the bank of billions of dollars. USDOJ seeks \$6 million in proceeds from the sale of commercial real estate in Dallas, Texas, which property was maintained and improved using the proceeds of embezzlement and fraud from PrivatBank.

CFPB

Regulation E FAQ. The CFPB published 25 new or updated questions and answers regarding the following topics under Regulation E:

- [Coverage: Transactions](#)
- [Coverage: Financial Institutions](#)
- [Error Resolution](#)
- [Error Resolution: Unauthorized EFTs](#)

Annual HMDA Exemption Threshold. The CFPB [announced](#) that, effective January 1, 2022, the asset size threshold exemption for financial institutions increased to \$50 million. Banks, savings associations, and credit unions with assets of \$50 million or less as of December 31, 2021, are exempt from collecting HMDA data in 2022.

The CFPB also announced that it has begun receiving HMDA data at <https://ffiec.cfpb.gov/filing/2021/>. If you are having issues uploading a file and are receiving errors, please refresh the page and clear your browser's cache. For questions/suggestions, contact hmdahelp@cfpb.gov. The [beta HMDA Platform](#) is also available to upload, test, and validate HMDA data. All data uploaded to the beta system is for testing purposes only and may be removed at any time.

Medical Debt Collection Bulletin. The CFPB issued [Bulletin 2022-01: Medical Debt Collection and Consumer Reporting Requirements in Connection with the No Surprises Act](#) to remind debt collectors of their obligation to comply with the Fair Debt Collection Practices Act's prohibition on false, deceptive, or misleading representations or means in connection with the collection of any debt and unfair or unconscionable means to collect or attempt to collect any debt. This bulletin also reminds consumer reporting agencies and information furnishers to comply with the Fair Credit Reporting Act's accuracy and dispute resolution requirements, including when collecting, furnishing information about, and reporting medical debts covered by the No Surprises Act.

The No Surprises Act protects participants, beneficiaries, and enrollees in group health plans and group and individual health insurance coverage from surprise medical bills when they receive, under certain circumstances, emergency services, non-emergency services from nonparticipating providers at participating health care facilities, and air ambulance services from nonparticipating providers of air ambulance services. In addition, the No Surprises Act, among other things, requires certain health care facilities and providers to disclose Federal and State patient protections against balance billing and sets forth complaint processes with respect to potential violations of the protections against balance billing and out-of-network cost sharing. The No Surprises Act also includes certain protections for uninsured (or self-pay) individuals from surprise medical bills.

Criticism of National Credit Bureaus. A CFPB [report](#) reveals how changes in complaint responses provided by nationwide consumer reporting companies resulted in fewer meaningful responses and less consumer relief. In 2021, Equifax, Experian, and TransUnion together

reported relief in response to less than 2% of covered complaints, down from nearly 25% of covered complaints in 2019. Other key findings from today’s report include:

- Equifax, Experian, and TransUnion relied heavily on template complaint responses instead of providing meaningful and thorough responses to consumers, despite having up to 60 calendar days to respond.
- Beginning in early 2020, Experian and TransUnion stopped providing substantive responses to consumers’ complaints if they suspected that a third-party was involved in submitting a complaint.
- In many instances, Equifax and TransUnion promised to investigate but failed to provide the outcomes of their investigations to the CFPB and instead stated that they would forward the complaints to their “dispute channel.”

Warning to Landlords and Mortgage Servicers. The CFPB and USDOJ sent a [letter](#) to landlords and property managers to inform them of the federal housing protections offered to servicemembers and their dependents under the Servicemembers Civil Relief Act. The CFPB and USDOJ also sent a [letter](#) to mortgage servicers reminding them that thousands of servicemember and veteran homeowners will be exiting COVID-19 hardship mortgage forbearances in the coming months. “For many, that will mean engaging their mortgage servicers in the loss mitigation process. As such, it is critical that you ensure that servicemember and veteran mortgage borrowers’ rights under federal law are diligently protected during the loss mitigation process, and that any issues identified are addressed expeditiously. In particular, we are concerned about complaints we have received from consumers – especially servicemembers and veterans – who believe they entered into COVID-19 hardship forbearance in accordance with the Coronavirus Aid, Relief, and Economic Security (CARES) Act, yet suffered negative impacts due to problems they encountered with how their loan account was handled by their mortgage servicer.”

Please note that the FDIC updated its five technical assistance videos on mortgage servicing rules. See [FDIC FIL-79-2021](#) for a description of the material in each of these videos.

Examinations of Buy Now Pay Later Credit Companies. The CFPB [ordered](#) Affirm, Afterpay, Klarna, PayPal, and Zip to collect information on the risks and benefits of Buy Now Pay Later (BNPL) loans. Specifically, the Bureau is concerned about:

- **Accumulating debt:** Whereas the old-style layaway installment loans were typically used for the occasional big purchase, people can quickly become regular users of BNPL for everyday discretionary buying, especially if they download the easy-to-use apps or install the web browser plugins. If a consumer has multiple purchases on multiple schedules with multiple companies, it may be hard to keep track of when payments are scheduled. And when there is not enough money in a consumer’s bank account, this can potentially result in charges by both the consumer’s bank and the BNPL provider. Because of the ease of getting these loans, consumers can end up spending more than anticipated.
- **Regulatory arbitrage:** Some BNPL companies may not be adequately evaluating what consumer protection laws apply to their products. For example, some BNPL products do not provide certain disclosures, which could be required by some laws. And while the BNPL application may look similar to a standard checkout with a credit card, protections

that apply to credit cards may not apply to BNPL products. Many BNPL companies do not provide dispute resolution protections available to users of other forms of credit, like credit cards. And finally, depending on what rules the lender is following, different late fees and policies apply.

- **Data harvesting:** BNPL lenders have access to the valuable payment histories of their customers. Some have used this collected data to create closed loop shopping apps with partner merchants, pushing specific brands and products, often geared toward younger audiences. As competitive forces pressure the merchant discount, lenders will need to find other sources of revenue to maintain growth and profitability. The Bureau would like to better understand practices around data collection, behavioral targeting, data monetization and the risks they may create for consumers.

Scrutiny of College Lending Programs. The CFPB [announced](#) it will begin examining the operations of post-secondary schools, such as for-profit colleges, that extend private loans directly to students. The CFPB is issuing an update to its exam procedures including a new section on institutional student loans. When examining institutions offering private education loans, in addition to looking at general lending issues, examiners will review the facts around certain actions only schools can take against their students. Specifically, CFPB examiners will be looking at:

- **Placing enrollment restrictions:** Students who are late on their loan payments may be restricted from enrolling in or attending classes, which could delay their graduation and prevent them from finding employment.
- **Withholding transcripts:** When a school withholds academic transcripts from students that owe the school a debt, this prevents students from using their transcripts to demonstrate their education levels in the job market.
- **Improperly accelerating payments:** Schools that use acceleration clauses in their loans when a student withdraws from the program could be putting a heavy financial burden on the student by making the loan immediately due and collectible.
- **Failing to issue refunds:** If a borrower withdraws from a program early, they may be entitled to some refunds by the school.
- **Maintaining improper lending relationships:** Schools that have preferential relationships with certain lenders may pose risks to students because, for example, they may end up paying more for their loan.

The CFPB [Education Loan Exam Procedures manual](#) is intended for use by CFPB examiners, and the Bureau makes it available to serve as a resource to anyone subject to its exams. These procedures will be incorporated into the CFPB's [general supervision and examination manual](#).

Blogs. This month's blogs include:

- [Americans pay \\$120 billion in credit card interest and fees each year](#)
- [CFPB Releases Report on Diversity and Inclusion within Financial Services](#)
- [It's illegal to penalize borrowers for being religious](#)
- [Our public inquiry on buy now, pay later](#)
- [Protecting servicemembers from predatory lending](#)
- [Hold credit reporting companies accountable for incorrect reports and shoddy service](#)
- [Making Ends Meet series: Consumer finances during the pandemic](#)

- [CFPB is standing up for civil rights protections](#)
- [Know before you buy \(now, pay later\) this holiday season](#)

FRB

Extension of Reg O Exception for Companies that Sponsor, Manage, or Advise Investment Funds and Institutional Accounts that Invest in Voting Securities of Banking Firms. The FRB, FDIC, and OCC issued a [Statement](#) to extend the Revised Statement Regarding Status of Certain Investment Funds and their Portfolio Investments for Purposes of Regulation O and Reporting Requirements under Part 363 of FDIC Regulations, which they issued on December 22, 2020, and was set to expire on January 1, 2022 (FRB SR 20-31, OCC Bulletin 2020-110, and FDIC FIL-115-2020). The exemption is extended until January 1, 2023. These regulators are continuing to consider whether to amend Regulation O to address this issue.

Regulation I Amended. The FRB published a [final rule](#) that amends Regulation I to automate non-merger-related adjustments to member banks' subscriptions to Federal Reserve Bank capital stock. The final rule also makes certain technical amendments to Regulation I and conforming revisions to the FR 2056 reporting form. Federal Reserve Banks will adjust a member bank's stock subscription each time the member bank files a Call Report. This automated process will eliminate the need for member banks to file applications to adjust their stock subscriptions (except in the context of mergers). When a Federal Reserve Bank issues stock to a member bank, the Federal Reserve Bank will obtain payment for that stock by debit to an account on the Federal Reserve Bank's books or by other form of settlement to which the Federal Reserve Bank agrees.

When two banks merge, the surviving member bank must state in its stock adjustment application whether its total consolidated assets exceed \$11.229 billion. The technical amendment assigns Federal Reserve Banks for reporting by banks in various US territories.

Legal Interpretation FAQs Updated. The FRB updated legal interpretation FAQs regarding five regulations this past month. The table below, with links, outlines all of the regulatory FAQs updated during the past year.

[Make Full Screen](#)

Topic		Part of 12 CFR	Most recent update	Links
Regulation H	Membership of State Banking Institutions in the Federal Reserve System	208	December 30, 2021	FAQs
Regulation K	International Banking Operations	211	March 31, 2021	FAQs

Topic		Part of 12 CFR	Most recent update	Links
Regulation L	Management Official Interlocks	212	March 31, 2021	FAQs
Regulation O	Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks	215	December 30, 2021	FAQs
Regulation W	Transactions Between Member Banks and Their Affiliates	223	December 30, 2021	FAQs
Regulation Y	Bank Holding Companies and Change in Bank Control	225	December 30, 2021	FAQs
Regulation YY	Enhanced Prudential Standards	252	July 29, 2021	FAQs
Covered Savings Associations			December 30, 2021	FAQs

Request for Comment on a Central Bank Digital Currency. The FRB released a discussion paper, [Money and Payments: The U.S. Dollar in the Age of Digital Transformation](#), that examines the pros and cons of a potential U.S. central bank digital currency, or CBDC. It invites comment from the public and is the first step in a discussion of whether and how a CBDC could improve the safe and effective domestic payments system. The paper does not favor any policy outcome. To fully evaluate a potential CBDC, [Money and Payments: The U.S. Dollar in the Age of Digital Transformation \(PDF\)](#) asks for public comment on more than 20 questions. Comments will be accepted for 120 days and can be submitted [here](#).

FDIC

Call Report Supplemental Instructions for Fourth Quarter 2021. [FIL-3-2022](#) contains Supplemental Instructions that pertain to the Consolidated Reports of Condition and Income (Call Report) for the December 31, 2021, report date and provide guidance on certain reporting issues. Remember that on November 4, 2021, the agencies published a final regulatory reporting change related to the Standardized Approach for Counterparty Credit Risk (SA-CCR) that applies to all three versions of the Call Report (see [FIL-72-2021](#), dated November 9, 2021). The Call Report forms for December 31, 2021 are available for printing and downloading from the FFIEC's webpage for each version of the Call Report. These forms can also be accessed from the FFIEC [Reporting Forms](#) webpage, and the Federal Deposit Insurance Corporation (FDIC) [Bank Financial Reports](#) webpage. Updates to the Call Report instruction books for December 2021 will be available soon on these webpages. Your institution's completed Call

Report must be received by Sunday, January 30, 2022, in accordance with the filing requirements discussed in [FIL-3-2022](#).

Community Bank Leverage Ratio Framework. The FDIC, FRB and OCC issued a joint [Statement](#) to provide information and guidance on the use of the two-quarter grace period under the optional community bank leverage ratio framework after the temporary relief measures affecting the framework expired on December 31, 2021. A banking organization that elects the community bank leverage ratio framework when it submits its March 31, 2022, Call Report or Form FR Y-9C will be subject to the 9% community bank leverage ratio requirement and must use total consolidated assets as of the report date to determine eligibility. The community bank leverage ratio framework includes a two-quarter grace period that generally allows banking organizations additional time to build capital and manage their balance sheets to either remain in the framework or prepare to comply with the generally applicable risk-based and leverage capital requirements (generally applicable rule).

Starting on January 1, 2022, a qualifying community banking organization will be subject to a leverage ratio requirement of 8% in order to use the two-quarter grace period. At the end of the two-quarter grace period, the banking organization must meet all the qualifying criteria to remain in the community bank leverage ratio framework, including less than \$10 billion in total consolidated assets as of the end of the most recent calendar quarter and a community bank leverage ratio requirement of 9%. A community banking organization that does not meet all the qualifying criteria at the end of the grace period must comply with the generally applicable rule and associated reporting requirements.

Covered Savings Associations FAQ. The FRB published [Frequently Asked Questions](#) to assist covered savings associations (CSAs) and companies that control a CSA in complying with statutes and regulations administered by the FRB. These FAQs are principally staff interpretations that have not been approved by the Board of Governors. Staff may supplement or revise these FAQs as necessary or appropriate in the future.

Consumer News. The December 2021 edition of [FDIC Consumer News](#) has one article: Overdraft and Account Fees, telling consumers how to minimize bank fees. Note that [Bank of America](#) and [Capital One Bank](#) announced lower overdraft and NSF fees or eliminated fees after publication of this article.

Brokered Deposit FAQ. The FDIC updated its [FAQs related to its brokered deposit rule](#) on December 29, 2021. The updates relate to third party administrators of health savings accounts, quarterly updates required from certain institutions, and an annual certification under the enabling transactions test.

The FDIC also [identified](#) an additional business relationship, or “designated exception,” that meets the “primary purpose” exception to the deposit broker definition. The business relationship relates to specific, non-discretionary custodial services offered by third parties to depositors or depositors’ agents. Entities that meet the criteria in the following business arrangement will be permitted to rely upon the primary purpose exception without submitting a notice or application:

“The agent or nominee is “engaged in the business of placing” customer funds at IDIs, in a custodial capacity, based upon instructions received from a depositor or depositor’s agent specific to each IDI and deposit account, and the agent or nominee neither plays any role in determining at which IDI(s) to place any customers’ funds, nor negotiates or set rates, terms, fees, or conditions, for the deposit account.”

OCC

New CRA Rule. The OCC published a [final rule](#) (119 pages) rescinding its June 5, 2020 CRA rule and adopting a CRA rule that is based largely on the 1995 CRA rules, as revised, that were issued by the OCC, FRB, and FDIC. This final rule applies to national banks and savings associations. This action facilitates the OCC’s planned future issuance of updated interagency CRA rules with the FRB and FDIC. This final rule is effective on January 1, 2022. The compliance date for §§ 25.43 (Content and availability of public file) and 25.44 (Public notice by banks and savings associations) is April 1, 2022. The compliance date for the remainder of the rule is January 1, 2022.

The OCC also [revised](#) the asset thresholds of small banks and intermediate small banks under the CRA rule consistent with the rate of inflation. Beginning January 1, 2022, a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.384 billion is a “small bank or savings association.” A “small bank or savings association” with assets of at least \$346 million as of December 31 of both of the prior two calendar years and less than \$1.384 billion as of December 31 of either of the prior two calendar years is an “intermediate small bank or savings association.”

HMDA Exam Procedures Updated. [OCC Bulletin 2021-63](#) announces adoption of the [Interagency HMDA examination procedures](#) that were published in September 2021.

The revised procedures address changes to the effective dates for banks that meet or exceed either the closed-end mortgage loans or the open-end lines of credit loan volume threshold in each of the two preceding calendar years. Effective July 1, 2020, a bank, savings association, or credit union that originated at least 100 closed-end mortgage loans in each of the two preceding calendar years, or originated at least 500 open-end lines of credit in each of the two preceding calendar years meets or exceeds the loan-volume threshold. Effective January 1, 2022, when the temporary threshold of 500 open-end lines of credit expires, a bank, savings association, or credit union that originated at least 100 closed-end mortgage loans in each of the two preceding calendar years, or originated at least 200 open-end lines of credit in each of the two preceding calendar years meets or exceeds the loan-volume threshold.

The revised procedures also address changes to a partial exemption to apply to an application or covered loan (including a purchased covered loan). An eligible bank must meet the applicable loan-volume threshold. A partial exemption applies to an eligible bank’s applications for, originations of, and purchases of closed-end mortgage loans if the bank originated fewer than 500 closed-end mortgage loans in each of the two preceding calendar years. When a bank determines whether it meets the loan-volume thresholds for a partial exemption, the bank does not count transactions excluded by 12 CFR 1003.3(c)(1) through (10) and (13). A partial exemption applies to an eligible bank’s applications for, originations of, and purchases of open-

end lines of credit if the bank originated fewer than 500 open-end lines of credit in each of the two preceding calendar years.

Climate Change Risk Management Principles for Large Banks. [OCC Bulletin 2021-62](#) announces publication of proposed “[Principles for Climate-Related Financial Risk Management for Large Banks](#)”. These principles are intended to support large banks' (banks with more than \$100 billion in total consolidated assets) efforts to focus on key aspects of climate-related financial risk management, and provide a high-level framework for climate-related financial risk management consistent with existing OCC rules and guidance. Feedback on these principles and the included questions must be received by February 14, 2022.

Updated Manual. [OCC Bulletin 2021-65](#) announces an [updated "Other Real Estate Owned" booklet](#) of the Comptroller’s Handbook. The updated booklet clarifies the definition of physical possession as it pertains to OREO properties, updates ownership obligations and actions as they pertain to the Fair Housing Act, and makes other changes for clarity.

NCUA

COVID-19 Regulatory Relief Extension. NCUA [approved](#) an extension of the effective date of its temporary final rule, which modified certain regulatory requirements to help ensure that federally insured credit unions remain operational and can address economic conditions caused by the COVID–19 pandemic. The [temporary final rule](#) issued by the Board in April 2020 raised the maximum aggregate amount of loan participations that a federally insured credit union may purchase from a single originating lender to the greater of \$5,000,000 or 200 percent of the credit union’s net worth. The rule also temporarily suspended certain limitations on the eligible obligations that a federal credit union may purchase and hold. In addition, given physical distancing practices necessitated by the COVID–19 pandemic, the rule suspended the required timeframes for the occupancy or disposition of properties not being used for federal credit union business or that have been abandoned. These temporary modifications will remain effective until Dec. 31, 2022.

Voluntary Diversity Self Assessments. NCUA [announced](#) that it will allow federally insured credit unions until January 31, 2022, to complete and submit the voluntary [Credit Union Diversity Self-Assessment](#). The [Credit Union Diversity Self-Assessment](#), instructions for completing it, and useful diversity-related tools and resources are available on NCUA’s [Credit Union Diversity](#) webpage. Information that is confidentially submitted in the self-assessment tool is aggregated by the NCUA Office of Minority and Women Inclusion and the results are shared anonymously, primarily in the NCUA’s annual [OMWI Congressional Report](#) and in the annual [Voluntary Credit Union Diversity Self-Assessment Results Report](#).

OTHER

GSE Capital Planning Rule. FHFA issued a [proposed rule](#) that would require Fannie Mae and Freddie Mac to develop, maintain, and submit annual capital plans to FHFA. The proposed rule mandates that the Enterprises' capital plans include:

- An assessment of the expected sources and uses of capital over the planning horizon;

- Estimates of projected revenues, expenses, losses, reserves, and pro forma capital levels under a range of the Enterprise's internal scenarios, as well as under FHFA's scenarios;
- A description of all planned capital actions over the planning horizon;
- A discussion of how the Enterprise will, under expected and stressful conditions, maintain capital commensurate with the business risks and continue to serve the housing market; and
- A discussion of any expected changes to the Enterprise's business plan that are likely to have a material impact on the Enterprise's capital adequacy or liquidity.

FHFA is also incorporating the determination of the stress capital buffer into the capital planning process. Comments must be received 60 days after publication of the proposed rule in the Federal Register.

GSE Multifamily Housing Goals. FHFA issued a [final rule](#) for Fannie Mae and Freddie Mac that established the benchmark levels for each of the single-family housing goals and subgoals for 2022 through 2024, and established the benchmark levels for the multifamily housing goals for 2022 only. To meet a single-family housing goal or subgoal, the percentage of mortgage purchases by a GSE in that category must exceed either the [benchmark levels](#) or the market levels for that year. To meet a multifamily housing goal or subgoal, a GSE must purchase mortgages on multifamily properties (properties with five or more units) with rental units affordable to families in each category in the [benchmark levels](#). The market level is determined retrospectively each year, based on HMDA data showing the actual goal-qualifying share of the overall market, as measured by FHFA.

FHFA Makes Climate Change a Major Consideration. FHFA [announced](#) that it instructed the GSEs and encouraged the FHLBanks to designate climate change as a priority concern and actively consider its effects in their decision making. The [2022 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions](#) makes resilience to climate risks part of the GSEs' obligation to operate in a safe and sound manner.

FHFA Raises LLPA Fees for Some Conforming Loans. FHFA [announced](#) that upfront fees for high balance loans will increase between 0.25 percent and 0.75 percent, tiered by loan-to-value ratios. Fannie Mae and Freddie Mac refer to these mortgages as high balance loans and super conforming loans, respectively. For second home loans, upfront fees will increase between 1.125 percent and 3.875 percent, tiered by loan-to-value ratios. The new fees will go into effect for deliveries and acquisitions beginning April 1, 2022, in order to minimize market and pipeline disruption.

A high-balance LLPA will not apply if any borrower on the loan is a first-time homebuyer and total qualifying income of all borrowers is less than or equal to 100% of the applicable area median income limit for the subject property's location. Loans must be delivered with Special Feature Code 873 (in addition to SFC 808). FNMA listed the various tiers for fee increases in [LL-2022-01](#). Additionally, the [Loan-level Price Adjustment \(LLPA\) Matrix](#) has been updated to reflect these changes.

FNMA Guide Changes. FNMA Selling Guide Announcement [SEL-2021-11](#) announces that the Selling Guide has been updated to include changes to the following:

- Military owner occupancy: updating the definition of principal residence to include military service members on active duty
- Tax return extensions: clarifying required documentation when a borrower has filed an extension with the IRS
- Comparable sales for new (or recently converted) projects: expanding allowable comparable sales
- Measuring gross living area: establishing standard requirements for measuring and calculating gross living area
- Property and flood insurance: consolidating property insurance requirements for lenders and servicers
- Miscellaneous updates:
 - Income from unemployment benefits
 - Servicing Marketplace Purchase and Sale Agreement
 - Calculation of loan-level price adjustments related to financed borrower-purchased mortgage insurance
 - Condominium Project Questionnaire (Form 1076)

In addition, Mortgage insurer name change updates are described in SEL-2021-11.

FNMA Servicing Guide Announcement [SVC-2021-09](#) announces that the Servicing Guide has been updated to include changes to the following:

- Consolidation of Servicing and Selling Guide insurance policies
- Updates to borrower-facing Guide documents
- Form 2002 retirement (MBS Custodian Recertification Form 2002)
- Subservicer special product approval clarification
- A link in the Servicing Guide to the Mortgage Insurance Claims Portal

[DU Version 11.0 March 2022 Update](#) announced that a DU update the weekend of March 19, 2022 will include (among other things) an option for desktop appraisals for some loans. See this update for the list of requirements for desktop appraisals and a list of loans that will not be eligible for desktop appraisals.

FHA Announcements. FHA will hold a webinar on how FHA-approved lenders can successfully submit notifications regarding actions affecting the institutions' profile information, via the Lender Electronic Assessment Portal (LEAP) on January 26, 2022 from 2-3 PM EST. [Registration](#) is required.

FHA [announced](#) that it extended the Exclusive Listing Period during which Owner-Occupants, Governmental Entities, and HUD-approved Nonprofits are eligible to bid on HUD Real Estate Owned (REO) properties from 15 days to 30 days.

FHA [announced](#) that February 7, 2022 will be the last day that Mortgagees will have access to FHAC for default reporting. Single Family Default Monitoring System (SFDMS) reporting capabilities will then move from FHAC to the FHA Catalyst platform on March 1, 2022.

Beginning March 1, 2022, Mortgagees must report in the SFDMS module through FHA Catalyst or Electronic Data Interchange (EDI). The Effective Date for the updated Default SFDMS Reporting Error Codes found in the Reporting Codes are changed to March 1, 2022.

VA Conforming Loan Limits and Other Changes. VA [Circular 26-21-25](#) announces the adoption of FHFA conforming loan limits for the calculation of an eligible Veteran entitlement to VA guarantees of a mortgage loan. VA [Circular 26-21-26](#) announces the determination of the VA Funding Fee Percentage on purchase loans with down payments. VA [Circular 26-21-27](#) extends the suspension of property inspection requirements for COVID-19 forbearance cases when both of the following criteria are met: (1) the loan is subject to a COVID-19 related forbearance, and (2) the loan was not 60 or more days delinquent when the borrower requested the COVID-19 related forbearance. VA [Circular 26-21-31](#) extends the expiration date of VA [Circular 21-19-31](#) to January 1, 2024. VA Circular 21-19-3 also stated that an appraisal report may be completed based solely on information gathered by a person with whom the VA fee panel appraiser has entered into an agreement for such services.

MLA Database Expanded to Include Cadets and Midshipmen Attending Military Service Academies. This [update](#) to the MLA Database adds cadets and midshipmen attending Military Service Academies of the Armed Forces, who are covered borrowers under the MLA, to the population of covered borrowers identified in the MLA database, thereby correcting an error in the database's original development. The MLA applies to consumer credit extended to members of the Armed Forces and their dependents, as enacted by Congress in the National Defense Authorization Act for Fiscal Year 2013. The MLA statute requires the Secretary of Defense to prescribe regulations to carry out the MLA, and such regulations were published on July 22, 2015. This change to the MLA database is administrative in nature and does not change the current MLA regulation nor does it change the status of the cadets and midshipmen attending the Military Service Academies of the Armed Forces.

Court of Appeals Reinstates EFTA Claim for Unauthorized Withdrawals. In [Widjaja v. JPMorgan Chase Bank, N.A.](#), the 9th Circuit Court of Appeals held that Widjaja could sue the bank for \$300,000 in unauthorized electronic fund transfers from her checking account at JPMorgan Chase Bank by identity thieves, even though she notified the bank of some of the losses more than 60 days the thefts occurred. The Appeals Court held that the district court misinterpreted the relevant provision of the EFTA. Widjaja was traveling overseas at the time of the thefts, and had very little ability to discover the withdrawals from her account. Under 15 U.S.C. § 1693g(a), a consumer may be held liable for unauthorized transfers occurring after the 60-day period only if the bank establishes that those transfers “would not have occurred but for the failure of the consumer” to timely report the earlier unauthorized transfer reflected on her bank statement. The panel held that plaintiff met her pleading burden by alleging facts plausibly suggesting that even if she had reported an unauthorized transfer within the 60-day period, the subsequent unauthorized transfers for which she sought reimbursement would still have occurred. The Court dismissed other state claims for breach of contract, and breach of the implied covenant of good faith and fair dealing.

7th Cir. Court of Appeals to Decide Whether ECOA Applies to Existing Debtors. In [Fralish v. Bank of America, N.A.](#), the bank cancelled plaintiff's credit card by letter without providing

written notice of the reasons for the adverse action or notice of the right to receive a statement of the reasons. The plaintiff sued for violations of ECOA and Regulation B. The District Court, taking a very narrow interpretation of ECOA, held that Fralish was not a “applicant,” i.e., Fralish was not requesting credit at the time his credit card account was cancelled, and so ECOA did not protect him. The CFPB, USDOJ, FRB, and FTC filed a [joint Amicus Brief](#) opposing Bank of America, arguing that the District Court’s interpretation is contradicted by the text and structure of ECOA and Regulation B, and would seriously undermine their important purposes.

Proposed FCC Data Breach Rule. The FCC [announced](#) that it is publishing a Notice of Proposed Rulemaking (NPRM) that would begin the process of strengthening the Commission’s rules for notifying customers and federal law enforcement of breaches of customer proprietary network information (CPNI). The proposal outlines several updates to current FCC rules addressing telecommunications carriers’ breach notification requirements. These include:

- Eliminating the current seven business day mandatory waiting period for notifying customers of a breach;
- Expanding customer protections by requiring notification of inadvertent breaches; and
- Requiring carriers to notify the Commission of all reportable breaches in addition to the FBI and U.S. Secret Service.

Additional SCRA Protections. Section 6207 of the recently enacted [National Defense Authorization Act for Fiscal Year 2022](#) provides, “The terms governing the termination of residential or motor vehicle leases and telephone service contracts described in sections 305 and 305A, respectively, of the Servicemembers Civil Relief Act (50 U.S.C. 3955 and 3956) with respect to servicemembers who receive military orders described in such Act shall apply in the same manner and to the same extent to members of the Service who are posted abroad at a Foreign Service post in accordance with this Act.”

Michigan Cybersecurity Notification Due for Insurance Entities. DIFS is reminding Michigan insurance entities that the [Michigan Insurance Data Security Law](#) was effective January 20, 2021, with certain requirements delayed for one or two years after that date. See MCL 500.565. However, there are two requirements effective now for insurance entities with 25 or more employees:

- Effective January 20, 2021: Pursuant to MCL 500.559, all licensees (includes insurers) are required to notify the Director as promptly as possible, but not later than 10 business days, after determining a cybersecurity event occurred involving nonpublic information in the licensee's possession if criteria listed under MCL 500.559(1)(a) or (b) applies. Licensees should utilize form FIS 2359: Notice of Cybersecurity Event. Please note that licensees have a continuing obligation to update and supplement this form regarding material changes to information previously provided relating to the cybersecurity event. Submission of the form and supplemental information should be submitted to DIFS-Cybersecurityforms@Michigan.gov.
- Due February 15 of each year (beginning February 15, 2022): Pursuant to MCL 500.555(9), each insurer-licensee domiciled in Michigan shall submit to the Director a written statement certifying that the insurer is in compliance with the requirements under MCL 500.555 unless an exception applies to the insurer. For certification, an insurer-licensee domiciled in Michigan should utilize Form FIS 2360 Information Security Program Annual Certification. If an exception applies, an insurer-licensee domiciled in Michigan should utilize Form FIS 2378

Domestic Insurer Exemption Certification. Each insurer-licensee domiciled in Michigan MUST submit either the FIS 2360 or FIS 2378 annually. The completed applicable form may be submitted electronically to DIFS-Cybersecurityforms@Michigan.gov.

Student Loan Repayment Pause Extended. On December 22, 2021, the U.S. Department of Education [announced](#) a 90-day extension of the pause on student loan repayment, interest, and collections through May 1, 2022. The extension will allow the Administration to assess the impacts of the Omicron variant on student borrowers and provide additional time for borrowers to plan for the resumption of payments and reduce the risk of delinquency and defaults after restart. The Department will continue its work to transition borrowers smoothly back into repayment, including by improving student loan servicing.

USDOJ Looking at Bank Merger Rules. The Department of Justice's Antitrust Division [announced](#) that it is seeking additional public comments until Feb. 15, 2022, on whether and how the division should revise the 1995 Bank Merger Competitive Review Guidelines (Banking Guidelines). The division will use additional comments to ensure that the Banking Guidelines reflect current economic realities and empirical learning, ensure Americans have choices among financial institutions, and guard against the accumulation of market power.

USDF Stablecoin. Founding members of the USDF Consortium (New York Community Bank, FirstBank and Sterling National Bank) [announced](#) that they plan to offer a stablecoin called USDF to facilitate the compliant transfer of value on the blockchain, removing friction in the financial system and unlocking the financial opportunities that blockchain and digital transactions can provide to a greater network of users. USDF will be minted exclusively by U.S. banks and will be redeemable on a 1:1 basis for cash from a Consortium member bank. The Consortium claims that USDF addresses the consumer protection and regulatory concerns of non-bank issued stablecoins and offers a more secure option for transacting on blockchain.

Other Fines and Penalties:

- On November 3, 2021, the FDIC fined Renasant Bank \$132,000 for failing to obtain flood insurance or obtain an adequate amount of insurance coverage, at or before loan origination, for all structures in a flood zone, including multiple structures, and failure to obtain contents coverage when required; and for failing to mail or deliver a written notice to the borrower and to the servicer in all cases, whether or not flood insurance is available for the collateral securing the loan.
- On November 15, 2021, the FDIC fined Nebraska State Bank \$6500 for failing to require flood insurance for loans, for failing to provide a flood zone notice, and for failing to force place flood insurance when mandatory flood insurance was not maintained.
- On November 30, 2021, NBT Bank N.A agreed to settle a class action lawsuit over its overdraft fee practices. The total value of the Settlement is \$5,727,792 consisting of NBT Bank's: (a) commitment to establish and pay a cash Settlement Fund of \$4,250,000.00; and its (b) agreement to forgive, waive, and not collect \$1,497,792 in Uncollected Fees.
- On December 13, 2021, the FTC banned National Landmark Logistics, LLC; National Landmark Service of United Recovery, LLC; Silverlake Landmark Recovery Group, LLC; and Jean Cellent from debt collection of any kind. The FTC also obtained a consent judgment of \$12,098,760, which is partially suspended due to an inability to pay. These persons and entities

were collecting “phantom debts,” falsely claiming to be from a mediation or law firm and threatening legal action, and used consumers’ personal information to convince consumers the threats were real.

- On December 15, 2021, the FTC fined online advertising platform OpenX Technologies, Inc. \$2 million for violating COPPA by secretly collecting personal information from children under 13 through child directed apps without parental consent.
- On December 16, 2021, the FTC and USDOJ fined MyLife.com, Inc. and its CEO, Jeffrey Tinsley, \$21 million and banned them from engaging in deceptive negative option marketing. The USDOJ alleged that these parties tricked consumers with “teaser background reports” and trapped them in difficult-to-cancel subscription programs.
- On December 17, 2021, the CFPB fined Access Funding and two executives \$100,000 and ordered them to pay \$40,000 in disgorgement for (i) steering consumers considering signing away future lead paint litigation structured settlement payments for lump sum payments, (ii) to receive “independent advice” from an attorney, Charles Smith, who was paid directly by Access Funding, and (iii) indicating to consumers that the transactions required very little scrutiny.
- On December 17, 2021, the SEC fined J.P. Morgan Securities LLC \$125 Million “for widespread and longstanding failures by the firm and its employees to maintain and preserve written communications.” JPMS admitted that from at least January 2018 through November 2020, its employees often communicated about securities business matters on their personal devices, using text messages, WhatsApp, and personal email accounts. None of these records were preserved by JPMorgan as required by the federal securities laws.
- Also on December 17, 2021, the CFTC fined J.P. Morgan Securities LLC \$75 Million “for failing to maintain, preserve, and produce records that were required to be kept under CFTC recordkeeping requirements, and failing to diligently supervise matters related to its businesses as CFTC registrants.” Since at least July 2015, JPMorgan employees, including those at senior levels, communicated both internally and externally on unapproved channels, including via personal text messages and WhatsApp messages. These written communications included messages related to JPMorgan’s businesses as CFTC registrants that were required to be maintained under CFTC-mandated recordkeeping requirements. None of these written communications were maintained and preserved by JPMorgan, and they were not able to be furnished promptly to a CFTC representative when requested.
- On December 22, 2021, the FTC entered into an agreement with Ascension Data & Analytics, LLC that requires the company to implement privacy and data safeguards pursuant to GLBA. This company scanned mortgage loan documents and stored them in the Cloud, without safeguards against unauthorized access. The company must hire a third-party advisor, have their security and privacy procedures audited, and submit annual compliance reports to the FTC. No fine was imposed.
- On December 23, 2021, the NY Times [reported](#) that Capital One agreed to pay \$190 million to settle a class-action lawsuit filed by customers of the bank after a hacker stole the personal data of more than a 100 million people in 2019.
- Insurance Journal [reported](#) on January 3, 2022, that Morgan Stanley Smith Barney, LLC offered a \$60 million settlement of a class action regarding data breaches that compromised information of about 15 million customers. The breaches arose from Morgan Stanley’s failure to have the data erased from used computers before they were sold. The OCC previously fined Morgan Stanley \$60 million for the data breaches.

- Fox 2 Detroit [reported](#) on January 4, 2022, that United Wholesale Mortgage is being investigated by MIOSH for failing to implement Michigan COVID precautions for its employees.
- On January 4, 2022, the Swedish Economic Crime Authority charged Birgitte Bonnesen, Swedbank's former chief executive officer, with disseminating misleading information about the bank's measures to prevent, detect, and report suspicions of money laundering in Swedbank's operations in Estonia. The former CEO is also charged with unauthorized disclosure of inside information to the largest shareholders of the bank. The bank was previously fined \$390 Billion because its AML procedures were weak and its subsidiaries allowed billions of Euros to be laundered through the bank.
- On January 5, 2022, the FTC announced that RAM Capital Funding, LLC and its owner Tzvi Reich, will be permanently banned from the merchant cash advance and debt collection industries, and required to pay \$675,000 to settle Federal Trade Commission charges that they used deceptive and illegal means to seize assets from small businesses, non-profits, and religious organizations.
- On January 7, 2022, the FTC fined ITMedia Solutions LLC \$1.5 million for operating hundreds of websites that were designed to entice consumers into filling out applications for loans and sharing their most sensitive financial information—including their Social Security numbers and bank account information. The defendants sold that information to marketing companies and others rather than lenders, without regard for how the information would be used.
- On January 10, 2022, the CFPB sued United Debt Holding (UDH), JTM Capital Management (JTM), United Holding Group (UHG), and their owners, Craig Manseth, Jacob Adamo, and Darren Turco, for illegal debt-collection practices.
- On January 13, 2022, the Michigan Attorney General [announced](#) that 38 states (including Michigan) and the District of Columbia settled a class action lawsuit with Navient regarding illicit student loan practices. Under the terms of the settlement, Navient will cancel the remaining balance on \$1.7 billion in subprime private student loan balances owed by more than 66,000 borrowers nationwide. This includes 1,576 borrowers in Michigan. \$95 million in restitution payments will be paid to 350,000 federal loan borrowers who were placed in certain types of high-cost forbearances. The settlement also includes conduct reforms that require Navient to explain the benefits of income-driven repayment plans and to offer to estimate income-driven payment amounts before placing borrowers into optional forbearances. Additionally, Navient must train specialists who will advise distressed borrowers concerning alternative repayment options and counsel public service workers concerning Public Service Loan Forgiveness (PSLF) and related programs, and may not compensate agents based on the shortness of conferences with borrowers.
- On January 13, 2022, the FTC announced that Dun & Bradstreet (D&B) has agreed to an order requiring substantial changes in the firm's operations that will benefit small- and mid-sized businesses. Under the proposed order, D&B will also provide refunds to certain businesses that purchased the company's products in the belief that using the products would improve their business credit scores and ratings. D&B failed to give these businesses a clear, consistent, and reliable process to get these errors fixed. Moreover, D&B profited from businesses' pain by selling them a line of products that purported to help them improve their reports. In fact, for many businesses, these benefits proved illusory.
- On January 18 2022, CSBS [announced](#) that more than 400 MLOs across 44 states were fined and/or had their license suspended for skipping mandatory CE obligations. These MLOs

are paying a \$1000 fine for each license they hold, plus their MLO licenses are suspended for three months. Loans closed before the suspension are not impacted, but there could be difficulty closing loans for applications received after the suspensions are effective.

- On January 18, 2022, the CFPB, BrightSpeed Solutions, and its founder Kevin Howard entered into a settlement to impose a \$500,000 fine and permanently bar them from multiple consumer financial products and services industries for processing remotely created check payments for more than 100 client companies totaling more than \$70 million. The payments were for fraudulent and unnecessary security software sold by telemarketers principally to elderly consumers.
- On January 19, 2022, the International Committee of the Red Cross announced that data it was storing for 60 Red Cross/Crescent organizations, concerning 515,000 vulnerable persons, was stolen from its vendor in Switzerland.