1/31/24

Dear Senator/Representative LAST NAME:

I am writing to strongly encourage your opposition to SB 408 and HB 4900, which will hurt our economy by keeping your district’s small businesses from being paid and making it more expensive for your district’s families to obtain the credit necessary for their finances.

**Please inform the sponsors, Senator Jeff Irwin and Representative Kara Hope, that your constituents oppose SB 408 and HB 4900.**

I have a unique perspective on debt collections, having extensively worked in this area of law. I am passionate about working on behalf of financial institutions which extend credit to Michigan families and businesses. As such, I appreciate the importance of our credit-based economy, without which most households could not survive.

**While SB 408 and HB 4900 purport to modernize Michigan collection laws by increasing exemptions for wage and bank garnishments, the unintended consequences overshadow any expected benefits and, in fact, will hurt all Michigan families and businesses.**

**If passed, SB 408/HB 4900 would create a class of debtors who would never have to pay their debts, even if they earn up to $60,000 per year and hold $17,000 in the bank. (And exempted income rises to $89,000 if Michigan’s minimum wage rises to $15/hour.) It would trap these consumers in a lifetime of debt, without further access to credit.**

**Michigan would become a state where debtors do not have to pay their bills, having a detrimental effect on our credit-based economy. The availability of credit to Michigan consumers, who pay their obligations, would be limited and far more expensive.**

**The creditors hurt by this are not just debt buyers, as the bills’ proponents would have you believe, but every company that works on credit, including plumbers, lawn services, automobile dealers, accountants and thousands of other small businesses which provide goods and services on credit.**

I strongly request that you reject SB 408 and HB 4900. While the rhetoric of the legislation’s supporters would lead one to believe that “debt collectors” are the only people to be hurt here, the truth is that this extreme legislation would be awful for all of Michigan’s small businesses and the ability of all your constituents to get car loans, credit cards and home mortgages in our credit-based economy.

Should you ever have any questions about debtor/creditor relationships, I am happy to be a resource and provide my expertise in this field of law.

Sincerely,