

Press Releases

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OTS 07-068 - Federal Financial Regulatory Agencies Request Comment On Proposed Statement of Best Practices On Garnishment Orders of Exempt Federal Benefit Funds

Office of Thrift Supervision

FOR RELEASE at 4:30 P.M. EDT

For further information

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OTS 07-068

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Joint Release

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency
Office of Thrift Supervision
National Credit Union Administration

Federal Financial Regulatory Agencies Request Comment On Proposed Statement of Best Practices On Garnishment Orders of Exempt Federal Benefit Funds

Washington, D.C. - The federal financial regulatory agencies (Agencies) today requested public comment on a proposed statement encouraging federally regulated financial institutions to follow best practices to protect federal benefit payments from garnishment orders.

Federal law protects federal benefit payments-such as Social Security benefits, Supplemental Security Income benefits, Veterans' benefits, Federal Civil Service retirement benefits, and Federal Railroad benefits-from garnishment orders and the claims of judgment creditors subject to certain exceptions, such as garnishment orders relating to alimony or child support payments. The proposed statement lists best practices followed by financial institutions in this area, invites suggestions on other practices the agencies should consider, and encourages financial institutions to stay apprised of any future guidance issued by the Social Security Administration or Veterans Affairs regarding garnishment practices and of developments in the courts in their jurisdiction regarding garnishment practices.

The proposed statement, which was issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration, is attached.

Comment is requested by 60 days after publication in the Federal Register.

Attachment - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-68a.pdf>

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.
