

Proposed Regulations on Garnishments and Exempt Funds

Webinar • September 9, 2010, 1:30-3:30 CT



Several federal agencies have proposed a regulation that would require banks to research customer accounts before processing a garnishment. This webinar outlines the proposal and its possible effects.

Several federal agencies have proposed a regulation that would require banks to research customer accounts before processing a garnishment. This webinar outlines the proposal and its possible effects.

Under federal law, certain federal payments to individuals are exempt from levy, garnishment, or attachment. However, under state law, banks are often required to freeze accounts in response to a court order. Generally, neither the creditor nor the court knows whether the 's account contains federal benefit payments. Historically, the banks' perspective has been that it is up to customers to assert any defense they may have that their funds are not subject to levy; banks normally do not review prior deposits to determine the presence of exempt funds before implementing a court ordered freeze unless required by state law.

Why Participate?

If finalized, this proposal will require the bank to perform a "lookback" and to calculate a "protected amount" which shall be exempt from the court ordered freeze. Banks will be required to implement new research processes to identify accounts receiving federal payments and determine whether they are exempt. The changes will be significant and will require as much advance preparation as possible. **The program is about the proposed regulation, not third party claims in general.**

Highlights

- The "Interagency Guidance" proposed in 2007
- Payments exempt from third party claims
- Handling payments deposited via ACH vs. by check
- Identifying exempt payments by ACH batch header fields
- Handling commingled funds; i.e. combined deposits of exempt and non exempt items
- Determining the "protected amount"
- Fee prohibitions
- Required notice to account holder
- Deference to more protective state laws
- Safe harbor for compliance with federal regulation when in conflict with state requirements
- What to do when the U.S. has obtained the garnishment order
- Enforcement by the federal functional regulatory agencies

Presenter

Ken Golliver is a principal with Pegasus Educational Services, LLC. Prior to becoming a full time trainer, he was a community banker and then General Counsel for a regional consulting firm for financial institutions. He presents schools and seminars in over 25 states and has served on Compliance Schools sponsored by the OTS and the FDIC.

Audience

Personnel responsible for designing and implementing procedures for processing third party claims against customer funds and bank compliance officers. Attendees should have thorough knowledge of their state's laws and terminology regarding the processing of third party claims. **This program does not encompass the laws of any particular state; questions regarding state law are not addressed.**

CE Applied: 2.5 hrs. CRCEM/CFSSP/CPB/CCSR with the ICB

What is a Webinar?

A webinar is an online seminar featuring live audio and PowerPoint slides. **Everything is delivered through your PC.** No special hardware is needed; however, speakers or headphones are required. The program consists of 90 minutes instruction and 30 minutes live Q&A. Each webinar registration provides 1 connection to the live webinar, written materials and access to the On-Demand Webinar for 30 days following the broadcast. You may have unlimited listeners on your connection by PC. You will receive written materials and instructions prior to the seminar. If you do not receive a confirmation at least 2 days prior to the event call 888-262-7701.

An **On-Demand Webinar** is a live webinar that has been recorded and then streamed to your computer to watch at your convenience. The program can be viewed any time 24/7. You can watch a portion, come back and pick up where you left off! Anyone at your branch may access the program from a computer using the login and password. When you purchase an On-Demand Webinar, you have unlimited access to the program for 6 months from date of purchase.

Transmission, retransmission or republishing of the seminar is prohibited. Your registration entitles you to 1 connection at 1 location with permission to copy materials for participants. Complete one registration per location.

Please check all appropriate boxes SW2-1292
Proposed Regulations on Garnishments September 9, 2010

Webinar/materials (live webinar) \$250
On-Demand Webinar/materials* \$270

*Unlimited online access to a copy of the webinar for 6 months from purchase date
We cannot guarantee registration for incomplete and/or illegible registration forms received. Please complete the form and type or write carefully.

Name _____ Title _____

Bank _____

Mailing Address _____

City/State/Zip _____

Phone/Fax _____

E-mail _____

Preferred Payment Method: Online or e-Check

Payment Must Accompany Registration - Invoices are Not Provided

Three Ways to Register

Online: Visit ndba.com or bankersed.com/ndbankers/telephone.asp.

Mail: Mail completed form with check to Bankers Ed, 5700 S. Mopac, #C310, Austin, TX 78749 **10 days prior** to the event

Phone: Call Bankers Ed at 888-262-7701

Late Registration: Please register online when registering **2 days prior** to the event (credit cards & e-Checks accepted). Call 888-262-7701 for assistance.

Method of Payment (check one):

Check payable to Bankers Ed (must be accompanied by registration form)

Discover Card MasterCard VISA AMEX

Card Number _____ Security Code _____

Signature _____ Exp. Date _____

Seminar Content Questions: Contact NDBA at (701) 223-5303.