

# CALIFORNIA PRACTICE GUIDE ENFORCING JUDGMENTS AND DEBTS 2025 UPDATE

**This 2025 softbound Update completely replaces the 2024 Update.**

These Highlights summarize the most significant developments over the past year. The paragraph numbers are keyed to the 2025 edition of the Practice Guide where the topics are discussed in greater detail. Our cut-off date for this Update was April 15, 2025. Some of the new cases cited were not final as of our cut-off date and could be affected by later developments. Please be sure to check the subsequent histories before citing or relying on them.

This Update addresses significant amendments to portions of the State Fair Debt Collection Practices Act which expands the scope of the Act to apply to the collection of consumer debts and small business debts, including covered commercial debt, entered into, renewed, sold, or assigned on or after July 1, 2025. New Judicial Council forms for mandatory use in cases where the judgment concerns a consumer debt that was awarded on or after January 1, 2025 are discussed. There have been significant statutory amendments relating to exemptions from enforcement of money judgments and wage garnishment. And this Update includes the new dollar amounts of exemptions from enforcement of judgments under CCP §§703.140(b) and 704.010 et seq.

**Thank you!** We encourage your comments and suggestions as we work to keep this Practice Guide on track. *Let us hear from you!* Visit our website at [www.ruttergroup.com](http://www.ruttergroup.com).

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## 2025 UPDATE HIGHLIGHTS

### CHAPTER 2

#### LIABILITY FOR UNFAIR DEBT COLLECTION PRACTICES

##### Federal Fair Debt Collection Practices Act (Federal FDCPA)

###### Prohibition on false or misleading representations

- [2:86.3] **Misrepresentation regarding debt:** See *Calogero v. Shows, Cali & Walsh, L.L.P.* (5th Cir. 2024) 95 F4th 951, 959-960—although attempting to collect on time-barred debt does not per se violate Federal FDCPA, debt collector “can run afoul of the FDCPA by threatening judicial action while completely failing to mention that a limitations period might affect judicial enforceability.”
- [2:97] **Duty of reasonable care not to report false credit information:** 15 USC §1692e(8) creates a negligence standard and holds debt collectors to a duty of reasonable care not to report false information. [*Wood v. Security Credit Services, LLC* (7th Cir. 2025) 126 F4th 1303, 1312-1315—genuine issue of material fact whether debt collector understood meaning of “unresolved disputes” term, such that it should have known it had reported false information by communicating debt to credit reporting agency]

###### Prohibition on unfair or unconscionable practices

- [2:109] **Collecting unauthorized amount—fees for making online, phone payments:** See *Glover v. Ocwen Loan Servicing, LLC* (11th Cir. 2025) 127 F4th 1278, 1287-1291—mortgage loan servicer violated Federal FDCPA by charging convenience fee for making online or phone payments where such fees “amounts” were not specified in mortgage or promissory note; *DeSimone v. Select Portfolio Servicing, Inc.* (ED NY 2024) 784 F.Supp.2d 136, 158—mortgage servicing company’s fees for making online and phone payments was “amount” that was “incidental” to debt’s principal balance within 15 USC §1692f(1).

###### Article III standing

- [2:140.1] **Article III standing shown:** See *Six v. IQ Data Int'l, Inc.* (9th Cir. 2025) 129 F4th 630, 633-636—consumer had Art. III standing to bring Federal FDCPA claim for receiving debt notification letter after he notified debt collector that all communications should be sent to his attorney where “harm caused by unwanted communications bears a close relationship to intrusion upon seclusion.”
- [2:140.7; 2:140.11a] **Article III standing not shown:** See *Thomas v. LVNV Funding, LLC* (7th Cir. 2025) 132 F4th 992, 994-996—debt collector’s failure to notify agency that debt was disputed did not confer standing where no injury was shown, even though failure violated Federal FDCPA; *Freeman v. Ocwen Loan Servicing, LLC* (7th Cir. 2024) 113 F4th 701, 708-709—seeking legal advice about communication re disputed debt did not amount to injury in fact, nor did hiring counsel for advice about proper course of conduct confer standing.

## California Fair Debt Collection Practices Act (State FDCPA)

### Scope of State FDCPA

- [2:167] **Significant amendments to State FDCPA:** Effective January 1, 2025, significant amendments to portions of the State FDCPA expanded the scope of the Act to additionally prohibit debt collectors from engaging in unfair or deceptive practices in the collection of consumer debts and small business debts, including covered commercial debt, entered into, renewed, sold, or assigned *on or after July 1, 2025*. [Amended Civ.C. §1788.1(b), new (d); see also new Civ.C. §1788.1(c)—nothing in State FDCPA is intended to create or impose additional licensing requirement under the Debt Collection Licensing Act (Fin.C. §100000 et seq.) on debt collector re collection of covered commercial debt or covered commercial credit]

**ALERT:** Throughout the State FDCPA discussion in this Practice Guide (¶2:167-249), revisions have been made in numerous places to reflect whether the State FDCPA provision being discussed applies to “consumer debt” or more broadly to “covered debt” (see ¶2:168 of the *Highlights Summaries*). Please consult the accompanying text and the relevant State FDCPA statutes.

- [2:168] **“Covered debt” defined:** “Covered debt” under the State FDCPA includes “consumer debt” (¶2:169 ff.) or a “covered commercial debt” (see ¶2:170-170.1 of the *Highlights Summaries*). [Amended Civ.C. §1788.2(b), new (h)]
- [2:170] **“Covered commercial debt” defined:** The State FDCPA defines “covered commercial debt” (or “covered commercial credit”) as money due or owing, or alleged to be due or owing, from a natural person to a lender, a commercial financing provider or a debt buyer by reason of one or more commercial credit transactions, provided that the total amount of all covered commercial credit transactions and other noncovered commercial credit transactions due and owing by the debtor or other person obligated under the transaction to the same lender, commercial financing provider or debt buyer is no more than \$500,000. Specified provisions apply to the total value of credit per transaction where credit is owed to a lender or commercial financing provider and the value of credit for each transaction for a debt buyer. [New Civ.C. §1788.2(n)]
- [2:170.1] **“Covered commercial credit transaction” defined:** A “covered commercial credit transaction” is a transaction between a person and another person in which the total value of no more than \$500,000 is acquired on credit for use primarily for other than personal, family, or household purposes. [New Civ.C. §1788.2(o)]

### Prohibited debt collector activities

- [2:227.1] **Improper venue—covered commercial debts:** Notwithstanding the Civ.C. §1788.15(b) requirements (¶2:227), when the debtor’s obligation arises from a guaranty by the debtor of a covered commercial debt, the debtor may be sued by debt collectors in the county in which the nonnatural person for whose purpose the commercial debt was incurred is located. [New Civ.C. §1788.15(c)]

### **Fair Debt Buying Practices Act (FDBPA)**

[2:305] **Debt buyer's liability for FDBPA violations in action by individual:** A plaintiff suing a debt buyer for violating the FDBPA need not incur actual damages to recover Civ.C. §1788.62 statutory damages. [*Chai v. Velocity Investments, LLC* (2025) 108 CA5th 1030, 1038, 330 CR3d 11, 14]

### **Federal Trade Commission Act**

[2:339.1] **Waiver of Civ.C. §1459.5(a) void and unenforceable:** Any waiver of Civ.C. §1459.5(a), providing for prevailing plaintiff attorney fees, costs and expenses in action under 16 CFR Part 433, is contrary to public policy and, therefore, void and unenforceable. [New Civ.C. §1459.5(b)]

### **Debt Collection Licensing Act**

[2:343.19] **Exception:** The Debt Collection Licensing Act does not apply to debt collection regulated pursuant to Fin.C. §28100 et seq. or the collection of covered commercial debt or covered commercial credit. [Amended Fin.C. §100001(c)]

## **CHAPTER 3**

### **PREJUDGMENT COLLECTION**

#### **Song-Beverly Consumer Warranty Act**

[3:175.11] **Prevailing party attorney fees—compromise agreement under CCP §998:** A plaintiff who has rejected a CCP §998 offer or allowed it to be deemed withdrawn because it was not timely accepted does not necessarily avoid the reach of §998, but the parties are free to fashion their own allocation of fees and costs. [*Madrigal v. Hyundai Motor America* (2025) 17 C5th 592, 599, 607, 331 CR3d 15, 20, 26]

#### **Consumers Legal Remedies Act (CLRA)**

[3:180] **Hospitals have no duty to disclose EMS fees before treating patients:** See *Capito v. San Jose Healthcare System* (2024) 17 C5th 273, 382-383, 390-391, 328 CR3d 373, 376, 385-386—hospitals do not have duty under CLRA (or UCL) beyond statutory or regulatory obligations to disclose EMS fees prior to treating emergency room patients.

#### **Uniform Voidable Transactions Act (UVTA)**

[3:318c] **Court's own dissolution judgment compared:** The UVTA action brought by the former husband's judgment creditor, seeking to void property distribution portion of a marital dissolution judgment based on former wife's alleged fraud in a marital dissolution action, was barred by Fam.C. §916, which provides that, upon division of the marital property in a marital dissolution act, neither the property received by a spouse, nor that spouse individually, are liable for debts incurred by the other spouse before or during the marriage. The dissolution judgment was assigned to judgment debtor as his separate obligation, and the marital property's disposition was the court's own adjudication rather than a negotiated marital settlement agreement.

[*Bijan Boutiques, LLC v. Isong* (2024) 104 CA5th 132, 136, 141-142, 324 CR3d 390, 392, 396]

## CHAPTER 4 PROVISIONAL REMEDIES

### Levy of Attachment

[4:488] **Deposit accounts; safe deposit boxes—designation of third-party agent as central location for service of process:** A financial institution may designate a third-party agent as a central location for service of process; if so, the financial institution must designate at least one additional central location that is not in the same county as another designated central location. The same third-party agent may be designated as multiple central locations for service if the agent maintains physical locations in multiple counties. [Amended CCP §684.115(a)]

## CHAPTER 5 BANKRUPTCY CONSIDERATIONS

### Bankruptcy Estate

[5:50.5a] **Alter ego claims:** If there is injury to a corporation that gives the corporation a right of action against the shareholders (e.g., where a shareholder converts or fraudulently transfers corporate assets), that claim is property of the bankruptcy estate. But absent a corporate right of action, a claim that shareholders treated the corporation as their alter ego to the detriment of a corporate creditor may be asserted only by the injured creditor. [*International Petroleum Products & Additives, Inc. v. Black Gold S.A.R.L.* (9th Cir. 2024) 115 F4th 1202, 1216—where no harm to corporation alleged, “alter ego” claim belonged to creditors, not the estate under Calif. law]

### Discharge and Dischargeability of Debts

[5:57.1] **Contempt remedy—emotional distress damages:** See *In re Valdellon* (9th Cir. BAP 2024) 665 BR 420, 424—emotional distress damages available as part of civil contempt remedy for discharge injunction violation.

### Exemptions

[5:73.3d] **Ambiguous/contradictory exemption claims:** Chapter 11 Debtors proposed Chapter 11 plan and disclosure statement represented that creditors would be paid in full before any exemptions above the statutory limit were permitted. These representations contradicted Debtors’ claimed “100% FMV” homestead exemption on Schedule C. Thereafter, Debtors’ case was converted to Chapter 7. Because Debtors made contradictory representations during their Chapter 11 case in connection with their proposed plan, and because as DIPs Debtors owed fiduciary duties to creditors, the Chapter 7 trustee was not prohibited from challenging Debtors’ “100% FMV” homestead exemption claim. [*In re Masingale* (9th Cir. 2024) 108 F4th 1195, 1206-1208 (homestead exemption limited to statutory amount); see *Comment at ¶5:73.3e re effect of Official Form B106C (Schedule C)*]

## Avoiding Liens on Exempt Property

[5:75.21] **Certain nonpossessory, nonpurchase-money liens cannot be avoided:** Nonpossessory, nonpurchase-money liens in implements, professional books, tools of the trade, animals and crops cannot be avoided to the extent the value of such property exceeds \$8,575 under certain conditions (eff. 4/1/25).

## Reaffirmation

[5:78] **Limitation on collection of “covered debt” by reaffirmation under State FDCPA:** A “debt collector” under the State FDCPA must not attempt to collect a “covered debt” (*see* ¶2:168 of the *Highlights Summaries*) by obtaining a reaffirmation from a debtor of a covered debt that has been discharged in bankruptcy without clearly and conspicuously disclosing to the debtor, in writing at the time the reaffirmation is sought, that the debtor is not legally obligated to make a reaffirmation. [Amended Civ.C. §1788.14(a); *also discussed at* ¶2:219]

## Avoiding Powers of Bankruptcy Trustee

[5:95.5] **Transfers under \$8,575 in nonconsumer cases (“de minimis” exception):** Transfers aggregating *under* \$8,575 in bankruptcies filed by debtors whose debts are *not* primarily consumer debts are immune from preference avoidance (eff. 4/1/25).

[5:97.1] **Actual harm not element of fraudulent transfer claim under 11 USC §548:** *See In re O’Gorman* (9th Cir. 2024) 115 F4th 1047, 1056.

[5:98.6] **Direct evidence of fraudulent intent:** Direct evidence of fraudulent intent shown by Debtor’s declaration stating that her understanding of effect of real property transfer was that it would prevent or delay creditor from foreclosing on trust deed. [*In re O’Gorman*, *supra*, 115 F4th at 1058-1060]

## Creditors Who May File Involuntary Petition

[5:202; 5:203; 5:204; 5:205.1] **Required amount and character of petitioning creditors’ claims:** The petitioning creditors must collectively hold noncontingent, undisputed unsecured claims against the debtor aggregating at least \$21,050 or more (eff. 4/1/25).

[5:214.3] **Postfiling joinder of other creditors—effect where petitioning creditor’s claim paid before joinder filed:** Qualifications of petitioning creditors under 11 USC §303(c) are determined as of the petition date, thus a creditor who held a claim as of the petition date but was paid in full before joining the petition did not become a “noncreditor” and qualified as a petitioning creditor. [*In re King* (9th Cir. BAP 2024) 664 BR 356, 365-370]

## Protections for Debtor in Involuntary Cases

[5:274.2] **Limitation—government may assert sovereign immunity:** *See In re Blixseth* (9th Cir. 2024) 112 F4th 837, 844-845—claim against State of Montana for damages resulting from an involuntary petition against debtor did not arise out of same set of operative facts as involuntary petition; thus, State’s assertion of sovereign immunity was properly invoked.

**CHAPTER 6**  
**ENFORCEMENT OF JUDGMENTS**

**CHAPTER 6A**  
**PRELIMINARY CONSIDERATIONS**

**Costs of Suit and Enforcement of Judgment**

[6:45.2] **CCP §1218 fees against person not party to underlying litigation:** Where a party to a postjudgment enforcement proceeding violates a court order compelling discovery, attorney fees and costs may be imposed pursuant to CCP §1218 against that person, without having been a party to the underlying proceeding giving rise to the judgment. [*Ofek Rachel, Ltd. v. Zion* (2024) 106 CA5th 1119, 1124-1125, 327 CR3d 500, 503-504]

**Renewal of Judgment**

[6:80] **Grounds for vacating renewed judgment:** See *Vines v. O'Reilly Auto Enterprises, LLC* (2024) 101 CA5th 693, 706, 320 CR3d 513, 524—court erred in denying motion to vacate renewed judgment where amount included additional interest on attorney fees award to which judgment creditor was not entitled.

[6:90] **Allowable time for enforcement of earnings withholding order:** See amended CCP §706.022(a); and discussion at ¶6:1073 of the *Highlights Summaries*.

**Service in Enforcement Proceedings**

[6:117-117.1] **Writ issued for personal debt:** See new CCP §684.130(b); and further discussion at ¶6:374 of the *Highlights Summaries*.

**Nonassignable Interests**

[6:136] **Exception—breach of real estate broker's fiduciary duties:** A cause of action for the breach of a real estate broker's fiduciary duties is assignable where it seeks only damages related to property and pecuniary interests. [*Lazar v. Bishop* (2024) 107 CA5th 668, 680-684, 328 CR3d 483, 491-494]

**Settling With Judgment Debtor**

[6:149.16] **Settlement agreement in writing or orally before court (CCP §664.6)—dismissal without prejudice by court:** If the parties to a settlement agreement or their counsel stipulate in writing or orally before the court, the court may dismiss the case as to the settling parties without prejudice and retain jurisdiction over the parties to enforce the settlement until full performance of the settlement terms. [Amended CCP §664.6(a)]

*Caution:* Generally, statutes do not have retroactive effect. [*Nabors Corporate Services, Inc. v. City of Long Beach* (2025) 108 CA5th 540, 556-557, 329 CR3d 492, 503] Thus it may be that CCP §664.6 agreements entered into *before January 1, 2025* will be enforced under the older versions of the statute.

## CHAPTER 6D

### ENFORCEMENT OF JUDGMENT BY WRIT OF EXECUTION

#### Levy of Writ of Execution

[6:374] **Required declaration where writ issued for personal debt:** Where the writ is issued for personal debt, the judgment creditor must provide the levying officer with a declaration stating that the judgment creditor has verified, using reasonable diligence within the past 12 months, that the judgment debtor's address is correct to the best of the declarant's knowledge, and describing verification dates and methods used, including specified items. The judgment creditor must file the signed declaration with the court within a specified period. The levying officer must not accept or serve any writ, order, notice or other paper unless this declaration is provided. Upon notice by the judgment debtor that these requirements have not been met, the court must stay the notice of levy or earnings withholding order until the requirements have been satisfied. [New CCP §684.130(b)]

#### Levy on Deposit Accounts and Safe Deposit Boxes

[6:546] **Service on third-party agent as centralized location:** See amended CCP §684.115(a); *and discussion at ¶4:488 of the Highlights Summaries.*

## CHAPTER 6E

### PROPERTY EXEMPT FROM ENFORCEMENT OF MONEY JUDGMENTS

#### Impact of Bankruptcy Code Exemptions

[6:831.5] **Homestead and "wild card" exemptions:** The exemption for the debtor's homestead is increased to \$36,750 and the "wild card" exemption is increased to \$1,950 (eff. 4/1/25).

#### Property "Exempt Without Making Claim"

[6:869.1] **Claim of exemption to obtain release of property in deposit account:** Where property in a deposit account that is exempt without making a claim is levied upon, the property must be released by the financial institution holding the judgment debtor's deposit account within five business days of receiving the judgment debtor's written notice setting forth facts supporting the exemption without the necessity of making a claim. Specified provisions re written notice apply. [Amended CCP §703.510(b)]

#### Opposing Claim of Exemption

##### Hearing on claim of exemption

- [6:902] **Stay of hearing:** Where a writ is issued for personal debt and the hearing is delayed by the court and cannot be set within 30 days of notice of the motion, a party may seek by ex parte application, and the court must issue, an order staying any levy or garnishment re property subject to the claim of exemption until the hearing occurs. [Amended CCP §703.570(a)]
- [6:905] **Claim of exemption, opposition does not con-**

**stitute appearance:** The claim of exemption and notice of opposition do not constitute an appearance pursuant to CCP §1014. The court's power over the exemption claimant is limited to determining the claim of exemption. [Amended CCP §703.580(a)]

- [6:908] **Basis for decision:** The claim of exemption (including any required financial statement) and any notice of opposition (which are deemed to controvert each other) must be received in evidence, on which the court may make its determination if satisfied that sufficient facts are shown. Where the claim of exemption asserts money in a judgment debtor's deposit account is or was necessary for the support of the judgment debtor and the judgment debtor's spouse and dependents, the court must review the judgment debtor's financial statement and make findings thereon. If not satisfied, the court may continue the hearing for production of other evidence. [Amended CCP §703.580(c)]
- [6:915.1] **Return of property:** Where the judgment on which the writ is issued is for personal debt, the court must order the return of any property that was exempt without the need for a claim and that was levied upon within 12 months preceding the date of the order on the claim of exemption. This does not limit a judge's authority to order for good cause the return of any exempt property taken more than 12 months before the date on the order. [New CCP §703.580(d)(2)]

Further, the court must order the return of any property that debtor demonstrated would have been exempt by a claim of exemption and that was levied upon within six months before the date of the order on the claim of exemption. This does not limit a judge's authority to order for good cause the return of any exempt property taken more than six months before the date on the order. [New CCP §703.580(d)(3)]

Where property is exempt without the need for a claim or as a result of a claim of exemption, the court must order the return of the exempt property from the levying officer, judgment creditor, or other person in possession to the judgment debtor. Specified time periods apply to the levying officer's and judgment creditor's return of property. [New CCP §703.580(d)(4)]

#### **Appeal from court order**

- [6:921] **Service of notice of appeal:** Notice of appeal from the determination of a claim of exemption must be given to the levying officer. Where the judgment upon which the writ is issued is for personal debt, and if an earnings withholding order has been served upon the judgment debtor's employer, the notice of appeal must also be given to the debtor's employer. [Amended CCP §703.610(c)]
- [6:923] **Suspension of garnishment:** Where the writ was issued for personal debt and an earnings withholding order was served upon the judgment debtor's employer, upon the employer's receipt of the notice of appeal, the employer must immediately suspend any further garnishment of wages pending appeal and until ordered by the court to resume. [Amended CCP §703.610(c)]

## Specific Exempt Property

[6:926-927; 6:930; 6:992] **Motor vehicles:** The maximum motor vehicle exemption is increased to *\$8,625* (eff. 4/1/25).

[6:940; 6:941a] **Jewelry, heirlooms and works of art:** The exemption for jewelry, heirlooms and works of art is increased to *\$10,950* (eff. 4/1/25).

[6:944-946; 6:947] **“Tools of trade”:** The tools of trade exemption for the judgment debtor or the judgment debtor’s spouse is increased to *\$10,950*. Where both both spouses are engaged in the same trade, business or profession by which they both earn a living, the tools of the trade exemption is increased to *\$21,900* (eff. 4/1/25).

[6:955; 6:993-993.1; 6:994.1] **Social security/supplemental security income benefits:** The exemption for payments authorized by the Social Security Administration directly deposited by the government into deposit accounts is increased to *\$4,400* (if benefits are payable to only one depositor) or *\$6,575* (if payable to two or more depositors who are the designated payees, unless the payment represents a benefit to only one depositor, in which case *\$4,400* is exempt) without filing a claim (eff. 4/1/25).

[6:956; 6:994-994.1] **Public benefits:** The exemption for public benefits directly deposited by the government (or its agent) into deposit accounts is increased to *\$2,175* (if the benefits are payable to only one depositor) or *\$3,250* (if payable to two or more depositors who are the designated payee, unless the payments represent a benefit to only one of the depositors, in which case *\$2,175* is exempt) without filing a claim (eff. 4/1/25).

[6:968-970] **Loan value of unmaturing life insurance policies:** The cash surrender value of an unmaturing life insurance policy is now exempt to *\$17,525* if the judgment debtor is unmarried. If the judgment debtor is married, each spouse is entitled to a separate *\$17,525* exemption; these may be combined for a total of *\$35,050* (eff. 4/1/25).

[6:976a] **“Self-employed” retirement plans—amount necessary for support where money judgment is for personal debt:** To the extent that the money judgment is for personal debt, unless otherwise provided by federal law, the amount necessary to provide for the judgment debtor’s support cannot be less than the amount listed in 11 USC §522(n), as adjusted (the amount as of 4/1/25 is *\$1,711,975*). The exempt amount may be aggregated across all of the retirement plans in the judgment debtor’s name. However, it may be reduced to the extent that the value is attributable to any portion of any property disposed by the debtor “with the intent to hinder, delay, or defraud a creditor” and that could not have been exempted by the debtor when the debtor disposed of the property. [New CCP §704.115(e)(2)]

[6:978] **Tax exempt retirement funds:** Retirement funds are exempt to the extent that they are in a fund or account that is tax exempt under 26 USC §§403, 414 or 457 (municipal and non-profit plans), provided the amounts do not exceed the maximum exempt from federal income taxation and are not otherwise exempt under federal law. If the money judgment is for personal debt, the statute generally provides a *minimum* amount that is deemed necessary for the judgment debtor’s support. [New CCP §704.115(a)(2), (4)]

[6:980] **ERISA preemption of exception for amounts that become payable under any retirement plan to satisfy support judgment:** The exception for amounts that become payable under any retirement plan to satisfy a support judgment (§6:679) conflicts with, and therefore is preempted by the provisions of the Employee Retirement Income Security Act of 1974 (ERISA, 29 USC §1001 et seq.) permitting Qualified Domestic Relations Orders regarding marital rights. [See *Marriage of DeBenedetti & Ensborg* (2025) — CA5th —, —, — CR3d —, — (2025 WL 1189730, \*7); also discussed at §6:980.2]

[6:989] **Building materials:** Material that have been purchased in good faith and are about to be applied to the repair or improvement of the judgment debtor’s principal residence are exempt if the equity therein does not exceed \$4,400 (eff. 4/1/25).

[6:992.1] **Deposit account containing minimum amount for basic care:** For July 1, 2024 through June 30, 2025, the money in the judgment debtor’s deposit account in an amount equal to or less than the minimum basic standard of care for a family of four that is exempt without making a claim is now \$2,170.

[6:992.4] **Multiple accounts at single financial institution:** Notwithstanding CCP §704.220(e)(2) (see §6:992.4), if the judgment debtor has multiple accounts at a single financial institution that cumulatively contains an amount less than or equal to the amount specified in CCP §704.220(a) (§6:992.1, above), the financial institution must protect the full amount in those accounts. If each of those accounts contains an amount less than the amount specified in §704.220(a) but the accounts cumulatively contain an amount greater than that specified amount, the financial institution must protect an aggregate amount equal to the amount specified in §704.220(a). [New CCP §704.220(e)(4), (5)]

[6:1001] **State/public employee “vacation credits,” sick leave, family leave:** The aggregate interest, not to exceed \$8,625 in vacation credits or accrued, or unused, vacation pay, sick leave, or family leave is exempt (eff. 4/1/25).

[6:1011] **Prisoner’s fund:** When the state, county, city or an agency thereof holds funds in trust in an inmate’s account for or to the credit of the debtor-inmate, the funds are exempt in the amount of \$2,175 without making a claim. If the debtor-inmate is married, the debtor-inmate’s spouse is entitled to a separate \$2,175 exemption (eff. 4/1/25).

#### “Homestead” Exemption

[6:1020.1] **Determining residency:** See *In re Rey* (9th Cir. BAP 2024) 657 BR 634, 648—debtor’s homestead exemption was limited to structure and land used as her residence and did not extend to separate duplex debtor rented out on same property.

[6:1022] **Amount of dwelling exemption:** The current amount is the greater of the following: the countywide median sale price for a single-family home in the calendar year prior to the year in which the judgment debtor claims the exemption, not to exceed approximately \$726,700, or approximately \$363,250 (eff. 4/1/25).

[6:1026.11] **\$214,000 maximum for property acquired 1,215 days**

**before bankruptcy:** Where the debtor acquired the property within 1,215 days (3 years, 4 months) prior to bankruptcy, the maximum homestead exemption is increased to \$214,000. [Amended 11 USC §522(p) (eff. 4/1/25)]

[6:1026.13] **\$214,000 maximum where debtor engaged in certain bad acts:** A debtor's homestead exemption in bankruptcy is increased to \$214,000 where the debtor engaged in a variety of specified bad acts (violating securities laws, intentionally causing serious personal injury or death in the preceding five years). [Amended 11 USC §522(q) (eff. 4/1/25)]

## CHAPTER 6F

### WAGE GARNISHMENT

#### Wage Garnishment—In General

[6:1073] **Allowable time for earnings withholding order enforcement:** A judgment creditor must not enforce an earnings withholding order beyond the CCP §683.020 period of enforceability (§6:58) or, if renewed, as provided in CCP §683.120(c) (§6:83.1). [Amended CCP §706.022(a)]

[6:1092] **“Withholding period”:** The withholding period commences on the 30th day after service of the earnings withholding order on the judgment debtor. Where a claim of exemption is filed with the levying officer and the employer is given actual notice before the close of business on the 29th day after service of the earnings withholding order on the judgment debtor, then the withholding period commences on the 45th day after service of the earnings withholding order on the judgment debtor. [Amended CCP §706.022(a)]

#### Exemptions for Amounts Necessary for Support of Judgment Debtor's Family

##### Hearing on claim of exemption

- [6:1200] **Stay on hearing:** Where the judgment is for personal debt, if the hearing is delayed by the court and cannot be set within 30 days of the notice of motion, a party may seek by ex parte application, and the court must issue, an order staying any levy or garnishment on the property subject to the claim of exemption until the hearing is held. [Amended CCP §706.105(e)]
- [6:1202.1] **Wages exempt without making claim:** Where the judgment debtor's wages are exempt without making a claim, the court must terminate or modify the earnings withholding order and must order the return of exempt wages by a date certain. Where the judgment is for personal debt, the court must order the return by a date certain of any wages that were exempt without the need for a claim and that were garnished for up to 12 months before the date of the order on the claim of exemption. This does not limit the court's authority to order for good cause the return of any exempt property taken more than 12 months before the date of the order on the claim of exemption. [New CCP §706.105(g)(1)]
- [6:1202.2] **Wages exempt due to claim of exemption:** Where

the judgment debtor's wages are exempt due to a claim of exemption, the court must terminate or modify the earnings withholding order and must order the return of exempt wages by a date certain. Where the judgment is for personal debt, the court must order the return by a date certain any wages that the judgment debtor has demonstrated would have been exempt by a claim of exemption and that were garnished for up to six months before the date of the order on the claim of exemption. This does not limit the court's authority to order for good cause the return of any exempt property taken more than six months before the date of the order on the claim of exemption. [New CCP §706.105(g)(2)]

- [6:1202.3] **Amount withheld to be paid to judgment debtor:** Where the court determines that any withheld amount should be paid to the judgment debtor, the court must order the levying officer, judgment creditor, or other person, who is in possession of the property, to return the exempt property to the judgment debtor. Specified periods apply to when the levying officer and judgment creditor must return the exempt property. [New CCP §706.105(g)(3)]

#### **Consequences of termination of earnings withholding order**

- [6:1210-1211] **Waiting period to apply for new withholding order; exception for nonpersonal debt judgments:** The waiting periods in CCP §706.105(h) apply where the judgment is for personal debt. The waiting period is inapplicable, however, to a judgment *not* for personal debt if there is a “material change of circumstances.” [Amended CCP §706.105(h)]
- [6:1212] **Repayment of earnings withheld after termination but not paid to levying officer:** If the employer has withheld amounts after termination of the order but has not paid over those amounts to the levying officer, the employer must pay those amounts to the judgment debtor within five business days of the end of the next pay period. [Amended CCP §706.105(i)]

## **CHAPTER 6G**

### **SPECIAL ENFORCEMENT PROCEDURES**

#### **Judgment Debtor Examination re Consumer Debt Judgment Awarded On or After 1/1/25**

[6:1302.1-1302.5] **New mandatory official forms:** The Judicial Council has adopted new forms for mandatory use in cases where the judgment concerns a consumer debt that was awarded on or after January 1, 2025 (see Information on Debtor's Examinations Regarding Consumer Debt (EJ-140-INFO), Application and Order to Appear for Examination—Consumer Debt (EJ-141), Notice of Financial Statement—Consumer Debt (EJ-143), Financial Statement—Consumer Debt (EJ-144), Notice of Motion and Motion to Require Examination—Consumer Debt (EJ-146) and Application and Order to Require Examination After Submission of Financial Statement—Consumer Debt (EJ-147), available on the California Courts website ([www.courts.ca.gov](http://www.courts.ca.gov))). These forms are discussed in further detail and cited throughout this Chapter.

**CHAPTER 6H**  
**THIRD PARTY CLAIMS**

**Third Party Claim Procedures**

[6:1605.1] **Procedures may *not* be used to levy upon client trust account:** A law firm's third party claim was properly denied where the judgment creditor levied upon the firm's client trust account and the firm had not performed any services pursuant to a flat fee agreement with the judgment debtor. [*Dickson v. Mann* (2024) 103 CA5th 940, 949-950, 323 CR3d 481, 492-493 (also discussed at ¶6:1617 of the *Highlights Summaries*)]

**Title or Possessory Claims to Real or Personal Property**

[6:1617] **Claim properly denied where claim requirements not met:** See *Dickson v. Mann*, supra, 103 CA5th at 952, 323 CR3d at 494—trial court did not abuse its discretion by denying claimant's motion for reconsideration where claimant failed to (1) attach prior engagement agreement to third party claim and (2) make any argument re agreement while litigating claim.

**Hearing on Third Party Claim**

[6:1687.1] **Burdens of proof:** The third party claimant has the burden of proof at the hearing on a third party claim. After the third party shows its entitlement to the property, the burden shifts to the creditor to establish that its interest is superior. [See *Dickson v. Mann*, supra, 103 CA5th at 945, 323 CR3d at 489]

**CHAPTER 6J**

**ENFORCEMENT OF SISTER STATE AND FOREIGN JUDGMENTS**

**Sister State Money-Judgments Act**

[6:1831] **Grounds for vacating judgment:** See *JHVS Group, LLC v. Slate* (2024) 327 CA5th 30, 37-38, 327 CR3d 727, 732-733—order granting preliminary injunction was void for lack of fundamental jurisdiction where parties were never served with summons and complaint nor order to show cause why preliminary injunction should not issue.

[6:1848] **Registered federal judgment no longer enforceable where original underlying judgment is vacated:** See *SDVF, LLC v. Cozzia USA, LLC* (9th Cir. 2025) 132 F4th 1114, 1117.