

SENATE No. 2551

The Commonwealth of Massachusetts

—
**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**
—

SENATE, July 10, 2025.

The committee on Senate Ways and Means to whom was referred the Senate Bill relative to fairness in debt collection (Senate, No. 2537), - reports, recommending that the same ought to pass with an amendment substituting a new draft with the same title (Senate, No. 2551).

For the committee,
Michael J. Rodrigues

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**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act relative to fairness in debt collection.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. The General Laws are hereby amended by inserting after chapter 93L the
2 following chapter:-

3 CHAPTER 93M.

4 DEBT COLLECTION FAIRNESS ACT.

5 Section 1. As used in this chapter, the following words shall have the following meanings
6 unless the context clearly requires otherwise:

7 “Charge-off”, a declaration by a creditor that a delinquent consumer loan, consumer
8 credit account or other consumer debt has been removed from a creditor’s books as an asset and
9 treated as a loss or expense.

10 “Consumer”, a natural person.

11 “Consumer debt”, an obligation or alleged obligation of a consumer to pay money
12 arising out of a transaction in which the money, property, insurance or services that are the

13 subject of the transaction are primarily for personal, family or household purposes, whether or
14 not the obligation has been reduced to judgment; provided, however, that “consumer debt” shall
15 not include a common expense or charge levied under chapters 183A or 183B, an obligation or
16 alleged obligation to pay common expenses or charges levied pursuant to a covenant or
17 agreement running with the land or a residential mortgage loan.

18 “Consumer form contract”, a contract in writing between a business and a consumer
19 involving goods or services, including, but not limited to, credit or financial services, primarily
20 for personal, family or household purposes, that has been drafted by the business for use with
21 more than 1 consumer, unless the only other consumer is the spouse of the first consumer.

22 “Creditor”, a person or entity to whom a debt is owed, including a judgment creditor and
23 any other person or entity that obtains an execution on a debt; provided, however, that “creditor”
24 shall not include an organization of unit owners as defined in section 1 of chapter 183A, a time-
25 share association under chapter 183B or a homeowner association or entity to whom debt is
26 owed pursuant to a covenant or agreement running with the land.

27 “Debt buyer”, a person or entity that is engaged in the business of purchasing delinquent
28 or charged-off consumer loans, consumer credit accounts or other delinquent consumer debt for
29 collection purposes, whether the person or entity collects the debt itself or hires a third party for
30 collection or an attorney for litigation in order to collect the debt.

31 “Debt collector”, a person or entity that uses an instrumentality of interstate commerce or
32 the mails in any business the principal purpose of which is the collection of a debt, or who
33 regularly collects or attempts to collect, directly or indirectly, a debt owed or due or asserted to
34 be owed or due another.

35 “Earnings”, gross compensation paid or payable for personal services, whether
36 denominated as wages, salary, commission, bonus, payment for skilled, personal or professional
37 services or otherwise, and whether earned as an employee or independent contractor.

38 “Execution”, an attachment, levy, garnishment or other disablement, freeze or seizure of
39 property, whether pre-judgment or post-judgment, to satisfy a debt or a creditor’s exercise of a
40 right of setoff to collect a debt; provided, however, that "execution" shall not include self-help
41 repossession of collateral.

42 “Exempt”, not subject to execution, levy, attachment, garnishment, setoff, self-help,
43 disablement, freeze, seizure or other form of process, court order, creditor or other action for
44 debt collection or restitution or other equitable claim unless otherwise specified.

45 “Garnishment”, a legal or equitable procedure through which the earnings, property or
46 funds of a person are required by a court of competent jurisdiction to be withheld by another
47 entity for payment of a debt to a creditor.

48 “Residential mortgage loan”, a loan primarily for personal, family or household use that
49 is secured by a mortgage, deed of trust or other equivalent consensual security interest on a
50 dwelling as defined in 15 U.S.C. section 1602(w) or residential real estate upon which is
51 constructed or intended to be constructed a dwelling as so defined.

52 “Trustee”, a trustee served pursuant to chapter 246.

53 Section 2. (a) Notwithstanding section 34 of chapter 235, if a consumer’s earnings are
54 attached to satisfy a judgment for collection of a consumer debt, wages equal to the greater of 90
55 per cent of the debtor's gross weekly wages or 65 times the greater of the federal minimum

56 hourly wage under 29 U.S.C. section 206(a)(1) or the state minimum hourly wage under section
57 1 of chapter 151 in effect at the time of attachment shall be exempt from the attachment and not
58 subject to garnishment. This exemption shall be adjusted pro rata for a pay period that is more
59 than weekly.

60 (b) Notwithstanding subsection (a), a consumer debtor subject to a judgment for
61 collection of a consumer debt may seek to exempt additional wages from attachment by filing a
62 form making a claim of undue financial hardship with the court. Such form shall be prepared by
63 the court to allow a consumer debtor to readily identify the basis for the consumer debtor's
64 request for an additional exemption under this subsection. Upon the filing of the financial
65 hardship form, the court shall hold a hearing as soon as practicable to determine the total amount
66 that shall be exempted from the judgment debtors' wages.

67 (c) If more than 1 order of attachment for a consumer debt is served on a trustee with
68 respect to the same consumer, the order of attachment served the earliest shall take priority. If an
69 order of attachment with greater priority consumes the entirety of the earnings that is available
70 for garnishment under the preceding subsections, the consumer's earnings shall not be garnished
71 pursuant to the order of attachment with lower priority.

72 (d) The protections for earnings under this section apply to consumers whose physical
73 place of employment is in the commonwealth; provided, however, that such protections shall
74 continue to apply even if such consumer's employer has corporate offices or other places of
75 business located outside the commonwealth.

76 (e) This section shall not apply in a proceeding to attach earnings or a pension to satisfy a
77 divorce, separate maintenance or child support order of a court of competent jurisdiction and, in

78 such a proceeding, including an action for trustee process to enforce a support order under
79 section 36A of chapter 208, federal law limiting the amounts that may be trustee, assigned or
80 attached in order to satisfy an alimony, maintenance or child support order shall apply.

81 (f) Except as otherwise permitted by law, an amount held by a trustee for a defendant in a
82 pension, as defined in section 28 of chapter 246, shall be reserved in the hands of the trustee and
83 shall be exempt from attachment to satisfy a judgment for collection of a consumer debt.

84 (g) An employer shall not take adverse employment action against an employee or refuse
85 to hire an individual because of 1 or more garnishments for consumer debts or because of
86 obligations that any garnishments impose against the employer. An employer who violates this
87 section shall be liable in a civil action, action for contempt or other appropriate proceeding to the
88 employee or individual for the wages and employment benefits lost by the employee or
89 individual from the time of the adverse employment action or refusal to hire to the period of
90 reinstatement and an additional penalty of not more than \$1,000.

91 (h) Income from child support payments shall be exempt from collection under this
92 chapter.

93 Section 3. (a) Notwithstanding section 2 of chapter 260, an action for the collection of a
94 consumer debt shall be commenced not more than 5 years after the cause of action accrues.
95 Notwithstanding any applicable statute of limitations of the commonwealth or other jurisdiction,
96 said limitations period shall apply to a claim for a consumer debt, whether the claim sounds in
97 contract, account stated, open account, contract or instrument under seal or other basis.

98 (b) Notwithstanding section 14 of chapter 260, a payment on a consumer debt that is
99 made after the limitations period under subsection (a) has expired shall not revive or extend the

100 limitations period or bar the consumer from asserting a defense to the collection of a consumer
101 debt.

102 (c) No creditor, debt buyer or debt collector shall bring a suit or initiate an arbitration or
103 other legal proceeding to collect a consumer debt if the applicable limitations period under
104 subsection (a) has expired.

105 (d) A waiver by a consumer of a protection or right under this section shall be void and
106 unenforceable.

107 (e) Notwithstanding section 20 of chapter 260 or any other general or special law to the
108 contrary, an action for the collection of a consumer debt arising from a judgment or decree,
109 including an execution upon or trustee process based on said judgment or decree and other
110 activity to collect on the judgment, shall be commenced not more than 10 years after the entry of
111 said judgment or decree. If such an action has commenced within 10 years, said judgment or
112 decree may be renewed one time for 10 years. A judgment or decree shall not be revived or
113 renewed after the limitations period under this subsection has expired.

114 Section 4. (a) A plaintiff who has obtained a judgment on a claim for the collection of a
115 consumer debt shall provide written notice to the consumer debtor not less than 30 days prior to
116 a supplementary process in a civil action for the examination of said consumer debtor pursuant to
117 section 14 of chapter 224 or a payment review hearing in a small claims action pursuant to
118 Uniform Small Claims Rule 7(a). Such notice shall inform the consumer debtor of the
119 opportunity to submit a financial affidavit in a form prescribed by the court and signed under the
120 penalties of perjury. If the consumer debtor indicates through the financial affidavit that all
121 income and assets are exempt from collection and files the affidavit as prescribed by the court,

122 the court shall acknowledge receipt and inform both parties that the supplementary process or
123 payment review hearing shall not occur. Upon filing of said affidavit, no further supplementary
124 proceedings or payment review hearings shall be scheduled unless the judgment creditor presents
125 evidence of the judgment debtor's non-exempt assets or income and the court determines that
126 there is a reasonable basis to believe that there are non-exempt assets or income warranting the
127 scheduling of a new supplementary process or payment review hearing.

128 (b) Notwithstanding sections 18 and 20 of chapter 224 or any other applicable law, rule,
129 or regulation to the contrary, no *capias* or other warrant to compel the attendance of an alleged
130 consumer debtor shall be issued for failure of the alleged consumer debtor to appear at a
131 supplementary process in a civil action for an examination pursuant to section 14 of said chapter
132 224 or a payment review hearing in a small claims action pursuant to Uniform Small Claims
133 Rule 7(i). If the alleged consumer debtor fails to appear, the court shall schedule a show cause
134 hearing to determine whether a *capias* or other warrant to compel the attendance of the alleged
135 consumer debtor should be issued. No *capias* or other warrant shall be issued to compel the
136 attendance of the alleged consumer debtor at a show cause hearing without evidence that notice
137 of said hearing was served on the consumer either by signed return receipt or by a sworn return
138 of service.

139 (c) Notwithstanding sections 18 and 20 of chapter 224 or any other applicable law, rule or
140 regulation to the contrary, an alleged consumer debtor that is compelled to attend pursuant to a
141 *capias* or other warrant shall be brought before the court the same day. The consumer shall be
142 given the opportunity to complete the financial affidavit described in subsection (a). The *capias*
143 or other warrant shall be satisfied by the consumer's appearance in court or completion of the
144 financial affidavit indicating that all forms of income and assets are exempt.

145 (d) Notwithstanding sections 18 and 20 of chapter 224 or any other applicable law, rule
146 or regulation to the contrary, no person shall be imprisoned or jailed for failure to pay a
147 consumer debt, nor shall a person be imprisoned or jailed for contempt of or failure to comply
148 with a court order to pay a consumer debt in part or in full.

149 Section 5. (a) Except as provided in subsection (b), if a plaintiff prevails in an action to
150 collect a consumer debt, interest computed pursuant to section 6C of chapter 231 or section 8
151 chapter 235 shall be limited to a fixed rate of interest of 12 per cent per annum.

152 (b) For actions to collect a consumer debt and applications for renewal of judgment,
153 interest shall be limited to a fixed rate of 3 per cent per annum.

154 (c) If the plaintiff prevails in an action to collect a consumer debt, the plaintiff may
155 collect attorney's fees only if the contract or other document evidencing the indebtedness sets
156 forth an obligation of the consumer debtor to pay attorney's fees; provided, however, that if the
157 contract or other document evidencing indebtedness provides for attorney's fees in some specific
158 percentage, the provision and obligation shall be valid and enforceable for not more than 15 per
159 cent of the amount of the debt excluding attorney's fees and collection costs; provided further,
160 that if a contract or other document evidencing indebtedness provides for the payment of
161 reasonable attorney's fees by the consumer debtor, without specifying a specific percentage, the
162 provision shall be construed to mean the lesser of 15 per cent of the amount of the debt,
163 excluding attorney's fees and collection costs, or the amount of attorney's fees calculated by a
164 reasonable rate for such cases multiplied by the amount of time reasonably expended to obtain
165 the judgment; provided further, that the documentation setting forth a party's obligation to pay
166 attorney's fees shall be provided to the court before the court may enforce those provisions; and

167 provided further, that such documentation shall not include materials that the plaintiff has
168 already filed together with the complaint in compliance with applicable court rules.

169 Section 6. (a) A violation of sections 2 to 5, inclusive, shall constitute a violation of
170 chapter 93A.

171 (b) Any portion of a contract, including a consumer form contract, that violates sections 2
172 to 5, inclusive, shall be void and unenforceable.

173 SECTION 2. Section 28 of chapter 246 of the General Laws, as appearing in the 2022
174 Official Edition, is hereby amended by adding the following paragraph:-

175 This section shall not apply in a proceeding to attach earnings or a pension to satisfy a
176 judgment for collection of a consumer debt as defined in section 1 of chapter 93M, and in such
177 an action, said chapter 93M shall apply.

178 SECTION 3. Section 3 of chapter 93M of the General Laws shall not apply to a
179 consumer debt for which the cause of action accrued before January 1, 2026; provided, however,
180 that subsection (b) of said section 3 of said chapter 93M shall apply to any payment on a
181 consumer debt made after the effective date of this act; and provided further, that subsection (b)
182 of section 6 of said chapter 93M shall not apply to a contract, including a consumer form
183 contract, that is in effect before January 1, 2026.

184 SECTION 4. Subsection (b) of section 5 of chapter 93M of the General Laws shall not be
185 construed to require any interest which accrued at an interest rate higher than 3 per cent per
186 annum prior to January 1, 2026 to be re-calculated or reduced. Judgments issued prior to January

187 1, 2026, with an interest rate other than 3 per cent per annum shall not be required to be amended
188 or reissued by the courts

189 SECTION 5. This act shall take effect on January 1, 2026.