

SENATE 2357:

AN ACT RELATIVE TO FAIRNESS IN DEBT COLLECTION

(summary reflects text as redrafted)

SPONSORS:

Senators Eldridge, Barrett and Lovely

LEGISLATIVE

06/23/25

Reported from the Committee on Financial Services,
New draft of S735, Bill reported favorably by the
Committee and referred to the Committee on Senate
Ways and Means

HISTORY:

EXISTING LAWS

AFFECTED:

M.G.L. c. 246 § 28

PROPOSED

LEGISLATION:

- Exempts from wage garnishment for the collection of consumer debt: (i) the greater of 90 percent of an individual's gross weekly wages or 65 times the minimum wage from garnishment for the collection of a consumer debt; and (ii) income from child support payments.
- Prohibits an employer from taking adverse action against an employee or refusing to hire an individual because of a garnishment for a consumer debt.
- Establishes a 5-year statute of limitations for the collection of consumer debt and prohibits a debt collector from bringing suit or initiating an arbitration or other legal proceeding after the limitations period has expired.
- Extinguishes the right to collect on a debt after the statute of limitations has expired.
- Prohibits consumer payments made after the statute of limitations period begins to run from being used to revive or extend the limitations period.
- Requires an action upon a judgment or decree on a consumer debt to be commenced within 10 years after the entry of judgment or decree, which may be renewed for 10 additional years.
- Prohibits debt collectors from seeking capias or other warrant without evidence that a hearing notice was served on the consumer.
- Establishes a fixed annual interest rate of 3 percent that a prevailing party can collect in an action to collect a consumer debt.

- Establishes parameters for awarding attorneys' fees in actions to collect consumer debts.
- Establishes that a violation of the Debt Collection Fairness Act shall constitute a violation of chapter 93A of the General Laws.

ESTIMATED
FISCAL
IMPACT:

This legislation has no cost to the Commonwealth.

(APD)