

TREASURY ISSUES GARNISHMENT RULE SUMMARY

Treasury Issues Garnishment Rule Summary

The Treasury Department's Fiscal Management Service yesterday released a two-page summary of the May 2013 final rule on garnishments, which gives banks two business days to identify and protect funds derived from federal benefits from most state and federal garnishment orders and levies. The final rule was revised to protect federal benefits from garnishments issued by a state, state agency or municipality.

In response to ABA concerns, FMS collaborated with ABA to develop a summary to educate state law enforcement officers about the new rule. The industry was concerned that state law enforcement officers, unaware of the new law, would demand immediate forfeiture of funds, despite the required two-day period to identify and protect federal benefits.

Banks may offer the summary to law enforcement in the event of a demand for immediate seizure of funds. [Read the summary.](#) [View ABA resources on garnishment.](#) For more information, contact ABA's [Denyette DePierro](#).