

BOD 2017-18 – 1R Resolution to Support Senate Bill 16 “Wage Garnishment Restrictions: Exempt Earnings: Student Loans.”

WHEREAS, Associated Students, Incorporated (ASI) of California State University, East Bay (CSUEB) is the recognized voice of about 16,000 students; and

WHEREAS, it is the mission of the ASI Board of Directors to advocate and provide responsible and effective leadership for a diverse student population in order to make sound decisions for the betterment of CSUEB students; and

WHEREAS, 40 million Americans have student loan debt. Now at \$1.3 trillion, education debt outpaces credit card debt as the leading source of household debt¹; and

WHEREAS, private student loan creditors can garnish up to 25% of borrower’s disposable income, compared to the 15% federal student loan servicers can garnish²; and

WHEREAS, the Wage Garnishment Law prescribes the procedure for withholding an employee’s earnings purposes for paying a debt. The law requires that a levy of execution upon the earnings of an employee be made by service of an earnings withholding order upon the employer. An earnings withholding order is issued by a levying officer upon receiving an application submitted by a judgment creditor. An employer is required, except as specified, to withhold the amounts required by an earnings withholding order from all earnings of the employee payable for any pay period of the employee which ends during the withholding period³; and

WHEREAS, The law prohibits the amount of an individual judgment debtor’s weekly disposable earnings subject to levy under an earnings withholding order from exceeding the lesser of 25% of the individual’s weekly disposable earnings or 50% of the amount by which the individual’s disposable earnings for the week exceed 40 times the state minimum hourly wage, or applicable local minimum hourly wage, if higher, in effect at the time the earnings are payable⁴; and

WHEREAS, This bill would establish a reduced maximum amount of disposable earnings of an individual judgment debtor subject to levy under an earnings withholding order for a judgment based in whole or in part on a claim for debt on a student loan that is not made, insured, or guaranteed by the United States Government pursuant to the Federal Family Education Loan Program or the William D. Ford Federal Direct Loan Program⁵; and

WHEREAS, the is bill would prohibit the amount of disposable earnings subject to levy from exceeding 15% of the individual’s disposable earnings; and

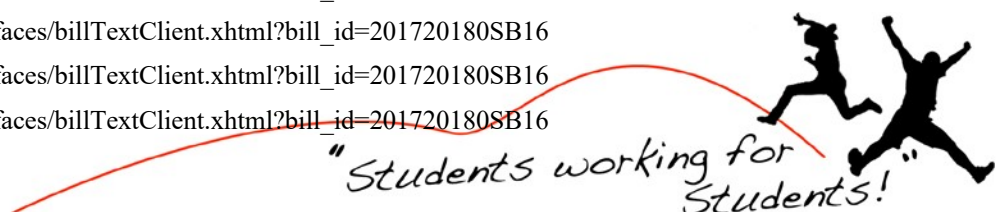
¹ <https://studentloanhero.com/student-loan-debt-statistics/>

² https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB16

³ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB16

⁴ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB16

⁵ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB16



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WHEREAS, many students turn to private loans due to financial aid ineligibility and exhausting federal loans and not being fully aware of the financial impact of private loan borrowing; be it therefore

RESOLVED, that CSUEB's ASI is committed to protecting students in order for them to maintain a standard of living after they graduate; and let it be further

RESOLVED, that CSUEB's ASI will continue to be an advocate and work with coalition members to help reduce debt; and let it be further

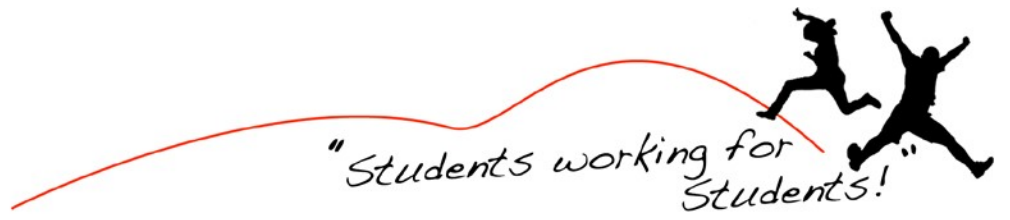
RESOLVED, that CSUEB's ASI encourage the Office of Financial Aid to inform students on any issues affecting one's financial burden; and let it be further

RESOLVED, that CSUEB's ASI support and advocate for Senate Bill 16 (Wage Garnishment Restrictions: Exempt Earnings: Student Loans); be it therefore

RESOLVED, that copies of the resolution be distributed to the Office of the President, Office of Financial Aid, California State Student Association, Office of Senator Wieckowski, and any other relevant parties.

Approved On: July 26th,2017

ASI President: Samantha D. Quiambao



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