

Comment Info: =====

General Comment: Regulations are needed to prevent the abuse of state courts by old debt portfolio buying companies, and its threat to mult-state banking and thrift institutions.

1. The legal department of the financial institution be REQUIRED to verify that the address of the account holder's account is in the state of jurisdiction, and be current.
2. If the address of record is not in the state from which the action of garnishment is being attained, then the action needs to be rejected and the court notified.
3. For deposit accounts that receive exempt funds according to the state laws of residence, a "shield" be setup to flag these account for scrutiny before freezing or seizing of assets.

Often the action from out of state courts result from improper notice to the account holder or no notice received of proposed action. If protection is not put in place, it is only a matter of time before some out of country mob or terrorist organization discover that it can generate fake debts and flood all of the branches in the state that the institution does business with garnishment actions. The cost of contesting out of state action by those of limited means is simply prohibitive.