are valid and enforceable in the courts. Hence, to complete the job, I would suggest a new subsection (b) of Section 202 reading:

"No person shall take any assignment of the future earnings of another in the form of wages, salary, commission or bonus as compensation for personal service, and all such assignments shall be void and unenforceable."

If the Committee were to adopt my suggestion of a limit on earnings protected from garnishment, and considered a similar limit appropriate for wage assignments, the new subsection (b) might read:

"No person shall take any assignment of the future earnings of another in the form of wages, salary, commission or bonus as compensation for personal service save for the amount in excess of $285 per week, and no such assignment shall be valid and enforceable save for such excess."

If either of these proposals were adopted, present subsection (b) of Section 202 should be redesignated subsection (c) and amended to cover violations of either subsection (a) or subsection (b).

In conclusion let me anticipate that there will doubtless be testimony that the abolition or restriction of wage garnishments and assignments will bring ruin to the institution of consumer credit. Any witness taking this position should be invited to explain data presented to a California legislative committee by the Associated Credit Bureaus of California, and summarized by Mr. Brunn at pages 1239–1243 of volume 53 of the *California Law Review*, which indicates that in stallment credit thrives as well in Alabama where 75% of wages are exempt from execution, in California where as a practical matter only 50% is exempt, and in Colorado which exempts 70% for heads of families and 35% for single persons, as it does in Texas and New Jersey with 100% exemptions, or in New York with a 90% exemption, or in North Carolina which exempts up to 100% where needed for support of the debtor's family.

National Conference of Commissioners on Uniform State Laws

UNIFORM CONSUMER CREDIT CODE

(Working Draft No. 4)

Section 1.106. [*Escalation.*]

[Certain dollar amounts in this Act which are designated as subject to escalation pursuant to this section shall be changed from time to time by action of the Administrator in accordance with changes in the United States Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers. On or before April 30 of each even-numbered year the Administrator shall compare the index at the end of the preceding calendar year and at [December 31, 1967] and shall calculate the percentage by which the Index has changed. If the change is 10 per cent or more, he shall promulgate a rule changing the dollar amounts in this Act which are designated as subject to escalation pursuant to this section, unless any change required by this section has already been made by the Administrator in a prior rule pursuant to this section. These dollar amounts shall be changed to the extent of the change in the Index, except that they shall be changed only in integral multiples of 10 per cent of the dollar amounts appearing in this Act at the time of its enactment. If the percentage change in the Index is more than an integral multiple of 10 per cent, the fractional portion of the change shall be disregarded. The changes made by the Administrator shall become effective on the July 1 immediately following promulgation of the rule.]

Section 5.105. [*Limitation on Garnishment of Unpaid Earnings.*]

(1) A creditor may not receive in payment of a judgment arising out of a consumer credit sale, a consumer lease or a consumer loan unpaid earnings of the debtor through garnishment or like proceedings directed to a person other than the debtor, except to the extent that the amount received by the creditor represents earnings of the debtor earned from all sources in excess of $100* in any calendar week in the case of a debtor with dependents, and $65* in any calendar week in the case of a debtor without dependents. For the purpose of determining a debtor's weekly earnings, any amounts paid or payable to another creditor because of a previous garnishment or like proceedings directed to a person other than the debtor, or irrevocable assignment of earnings, is not included in the amount earned.

(2) This section does not subject either the levying officer or the person to whom garnishment proceedings are directed to any liability if earnings are paid to the creditor in violation of this section.