551.05 ATTORNEY'S SUMMARY EXECUTION UPON FUNDS AT A FINANCIAL INSTITUTION.

Subdivision 1. **Procedure.** When levying upon funds at a financial institution, this section must be complied with, in addition to the general provisions specified in section 551.04.

Subd. 1a. **Notice, instructions, and exemption notice.** If the writ of execution is being used by the attorney to levy funds of a judgment debtor who is a natural person and if the funds to be levied are held on deposit at any financial institution, the attorney for the judgment creditor shall serve with the writ of execution a notice, instructions, and two copies of an exemption notice. The notice, instructions, and exemption notice must be substantially in the form set forth below. Failure of the attorney for the judgment creditor to send these forms renders the execution levy void, and the financial institution shall take no action. However, if this subdivision is being used to execute on funds that have previously been garnished in compliance with section 571.71, the attorney for judgment creditor is not required to serve an additional exemption notice. In that event, the execution levy shall only be effective as to the funds that were subject to the prior garnishment. Upon receipt of the writ of execution and exemption notices, the financial institution shall retain as much of the amount due under section 550.04 as the financial institution has on deposit owing to the judgment debtor, but not more than 100 percent of the amount remaining due on the judgment, or $10,000, whichever is less.

Subd. 1b. **Form of notice.** The notice must be a separate form and must be substantially in the following form:

State of Minnesota **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name:

.....

Debtor's full name:

.....

Third Party (bank, employer, or other):

.....

IMPORTANT NOTICE

Money in Your Account Has Been Frozen

The creditor has frozen money in your account at your bank.

Your account balance is $.....

The amount being held is $.....

The amount being held is frozen for 14 days from the date of this notice.

Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.

The attached exemption form lists some different ways money in your account may be protected. If your money comes from a benefit on this list, put a check on the line next to it. The creditor can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form with copies of your bank statements from the last 60 days.** Instructions and the form are attached. If you don't follow the instructions, your bank gives the money to your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and your money is protected, you can still get it back from the creditor later. But filling out the form now is easiest.

Subd. 1c. **Form of instructions.** The instructions required must be in a separate form and must be substantially in the following form:

INSTRUCTIONS

Note: The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

If you check one of the lines, you should also give proof. Use proof that shows that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

To avoid a hearing:

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

Notice: You must send copies of your bank statements for the past 60 days before the garnishment. Send them to the creditor (or to the creditor's lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you don't send bank statements to the creditor (or to the creditor's lawyer) along with your exemption claim, the financial institution may give your money to the creditor. They would do this once the creditor gives them a court order saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make one copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

Both Copies Must Be Mailed or Delivered the Same Day.

One copy of the form and the copies of your bank statements go to:

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

One copy goes to:

Bank's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

How The Process Works

If You Don't Send in the Exemption Form and Bank Statements:

14 days after the date of this letter some or all of your money may be turned over to the creditor. This happens once they get an order from the court telling the bank to do this.

If You Do Send in the Exemption Form and Bank Statements:

Any money that is NOT protected can be turned over to the creditor once they get an order from the court.

If the Creditor Does Not Object to Your Claimed Exemptions:

The bank should unfreeze your money 6 business days after they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

If the Creditor Objects to Your Claimed Exemptions:

The money you said is protected on the form is held by the bank. The creditor has 6 business days to object (disagree) and ask the court to hold a hearing. You get a Notice of Objection and a Notice of Hearing.

The bank holds the money until a court decides if your money is protected or not. Some reasons a creditor may object are because you didn't send copies of your bank statements or other proof of the benefits you got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

Warnings and Fines:

If you claim that your money is protected and a court decides you made that claim in bad faith, they can order you to pay costs, actual damages, lawyer fees, and a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you get government benefits and you don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, lawyer fees, and a fine up to $100.

Subd. 1d. **Form of exemption form.** The exemption form required by this subdivision must be a separate form and must be in substantially the following form:

State of Minnesota **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name:

..... **Exemption Form**

against

Debtor's full name:

.....

Bank's name:

.....

A. **How Much Money Is Protected (exempt)**

... I claim ALL of the money being frozen by the bank is protected.

... I claim SOME of the money is protected. The amount I claim is protected is $.....

B. **Why The Money Is Protected**

My money is protected because I get it from one or more of the following places: *(Check all that apply)*

Earnings (Wages)

ALL or SOME of my wages may be protected.

... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

... I get government benefits (a list of government benefits is on the next page)

... I am getting other assistance based on need

... I have gotten government benefits in the last 6 months

... I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements that show what was in your account for the 60 days right before the bank froze your money.**

Government benefits

Government benefits can include many things. For example:

(i) **MFIP** - Minnesota Family Investment Program

(ii) **DWP** - MFIP Diversionary Work Program

(iii) **SNAP** - Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance

(v) **EGA** - Emergency General Assistance

(vi) **MSA** - Minnesota Supplemental Aid

(vii) **MSA-EA** - MSA Emergency Assistance

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B** - Premium Payments help

(xiv) **Medicare Part D** - Extra

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

List the case number and county for every box you checked:

Case Number: ..... County: .....

Case Number: ..... County: .....

Case Number: ..... County: .....

Government benefits also include:

... Social Security benefits

... Unemployment benefits

... Workers' compensation

... Veterans' benefits

If you get any of these government benefits, include copies of any documents that show you get them.

... I get other assistance based on need that is not on the list. It comes from:

.....

Make sure you include copies of any documents that show this.

C. **Other Protected Funds**

The money from these things are also completely protected after they are deposited in my account.

... Child Support

... A retirement, disability, or accident pension or annuity

... Earnings of my child who is under 18 years of age

... Payments to me from a life insurance policy

... Money paid to me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.

... Death benefits paid to me

I give my permission to any agency that has given me benefits to give information about my benefits to the creditor named above or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

You must sign this form and send it back to the creditor's lawyer (or to the creditor, if there is no lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you did it correctly.

I have mailed or delivered a copy of this form to the creditor (or creditor's lawyer) at the address listed below.

Date: .....

Creditor's Signature: .....

(or creditor's lawyer's signature)

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

I also mailed or delivered a copy of this exemption form to my bank at the address listed below:

Bank's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

Date: .....

Debtor's Signature: .....

Debtor's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: .....

Email: .....

Subd. 2. **Effect of exemption notice.** Within two business days after receipt of the execution levy and the notice, instructions, and two copies of the exemption notices, the financial institution shall serve upon the judgment debtor the notice, instructions, and two copies of the exemption notice. The financial institution shall serve the notice by first class mail to the last known address of the judgment debtor. If no claim of exemption is received by the financial institution within 14 days after the exemption notices are mailed to the judgment debtor, the funds remain subject to the execution levy and shall be remitted to the judgment creditor's attorney within six business days. If the judgment debtor elects to claim an exemption, the judgment debtor shall complete the exemption notice, sign it under penalty of perjury, and deliver one copy to the financial institution and one copy to the attorney for the judgment creditor within 14 days of the date postmarked on the correspondence mailed to the judgment debtor containing the exemption notices. The debtor is also required to include copies of bank statements for the prior 60 days with the exemption notice. In the event that there is no attorney for the judgment creditor, the notice must be sent directly to the judgment creditor. Failure of the judgment debtor to deliver the executed exemption notice or copies of the required bank statements for the prior 60 days does not constitute a waiver of any claimed right to an exemption. Upon timely receipt of a claim of exemption, funds not claimed to be exempt by the judgment debtor remain subject to the execution levy. All money claimed to be exempt shall be released to the judgment debtor upon the expiration of six business days after the date postmarked on the envelope containing the executed

exemption notice mailed to the financial institution, or the date of personal delivery of the executed exemption notice to the financial institution, unless within that time the attorney for the judgment creditor interposes an objection to the exemption.

Subd. 3. **Objections and request for hearing.** An objection shall be interposed, within six business days of receipt by the creditor of an exemption claim from the debtor, by mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the financial institution and one copy of the Notice of Objection and Notice of Hearing to the debtor. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section. The Notice of Objection and Notice of Hearing form must be substantially in the form set out in subdivision 5.

The court administrator may charge a fee of $1 for the filing of a Notice of Objection and Notice of Hearing. Upon the filing of a Notice of Objection and Notice of Hearing, the court administrator shall schedule the matter for hearing no sooner than five business days but no later than seven business days from the date of filing. A debtor may request continuance of the hearing by notifying the creditor and the court. The court shall schedule the continued hearing within seven days of the original hearing date.

An order stating whether the debtor's funds are exempt shall be issued by the court within three days of the date of the hearing.

Subd. 4. **Duties of financial institution if objection is made to exemption claim.** Upon receipt of a Notice of Objection and Notice of Hearing from the creditor within the specified six-day period, the financial institution shall retain the funds claimed to be exempt. The financial institution shall retain the funds claimed to be exempt until otherwise ordered by the court, upon mutual agreement of the parties, or until the garnishment lapses pursuant to subdivision 7.

Subd. 5. **Form of Notice of Objection and Notice of Hearing.** The Written Objection and Notice of Hearing must be in substantially the following form:

STATE OF MINNESOTA DISTRICT COURT

COUNTY OF .... JUDICIAL DISTRICT

.....

(Creditor)

CREDITOR'S NOTICE OF OBJECTION
AND NOTICE OF HEARING ON
EXEMPTION CLAIM

.....

(Debtor)

.....

(Financial Institution)

(DEBTOR)

.....

ADDRESS

.....

.....

.....

.....

.....

(CREDITOR OR CREDITOR'S ATTORNEY)

NOTICE OF HEARING

The creditor objects to your exemption claim. This hearing is to resolve your exemption claim.

Hearing Date: .....

Time: .....

Hearing Place: .....

The creditor objects to your claim of exemption from levy of execution for the following reason(s):

.....

.....

.....

(Note: Bring with you to the hearing all documents and materials supporting your exemption claim. Failure to do so could delay the court's decision.**)**

If the creditor receives all documents and materials supporting your exemption claim before the hearing date, the creditor may agree with your exemption claim and you might be able to avoid a hearing.

Because a court hearing will be held on your claim that your funds are protected, your financial institution will retain the funds until it receives an order from the court or upon mutual agreement between you and the creditor.

Subd. 6. MS 2008 [Repealed by amendment, 2009 c 31 s 3]

Subd. 7. **Release of funds.** At any time during the procedure specified in this section, the judgment debtor or the attorney for the judgment creditor may, by a writing dated after the service of the writ of execution, direct the financial institution to release the funds in question to the other party. Upon receipt of a release, the financial institution shall release the funds as directed.

Subd. 8. **Subsequent proceedings; bad faith claims.** If in subsequent proceedings brought by the judgment debtor or the judgment creditor, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, and reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed $100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in

bad faith, the judgment debtor shall be awarded costs, reasonable attorney fees, actual damages, and an amount not to exceed $100. The underlying judgment must be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to the party's attorney for fees, the attorney's fee award shall be made directly to the attorney and if not paid, an appropriate judgment in favor of the attorney shall be entered. Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption, and may make any order necessary to protect the rights of those interested. No financial institution is liable for damages for complying with this section. Both copies of an exemption claim or an objection to an exemption claim must be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

History: *1990 c 606 art 2 s 5; 1991 c 199 art 1 s 81; 1992 c 464 art 1 s 56; 1993 c 156 s 9; 1994 c 488 s 8; 1999 c 107 s 66; 1999 c 159 s 144; 2000 c 343 s 4; 2000 c 405 s 13,14; 2009 c 31 s 3; 2015 c 21 art 1 s 109; 1Sp2019 c 9 art 1 s 42; 2025 c 18 s 7-9*