

## Banking Operations & FinTech Update

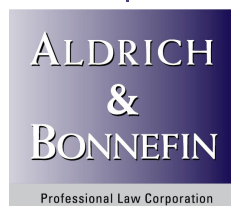
JULY 2021

### UPDATED LEVY EXEMPTION AMOUNT

California Code of Civil Procedure Section 704.220 added a new category of funds that are automatically exempt from a writ of execution and notice of levy. According to new Section 704.220, which went into effect on September 1, 2020, specified amounts in the deposit accounts belonging to a natural person judgment debtor are automatically exempt from levy.

The amount of this exemption is an amount equal to or less than the minimum standard of adequate care for a family of four for Region 1 ("MBSAC"). The MBSAC is established pursuant to California Welfare and Institutions Code Section 11452 and is subject to annual adjustment by the California Department of Social Services (CA DSS), effective July 1 of each year. Unfortunately, locating the new annual MBSAC is not an easy task.

According to the CA DSS's May 25, 2021 Executive Summary All County Letter No. 21-55, the MBSAC that went into effect on July 1, 2021 is now \$1,826. Therefore, when served with a writ of execution and notice of levy for a natural person judgment debtor, the financial institution is required to automatically exempt up to \$1,826 from the accounts of the debtor. The prior amount of the automatic exemption was \$1,788. For more information on the scope and application of this exemption, refer to BCG Standard Procedures Manual #4, *Legal Processes*.



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