

# Congress, VA & MD Exempt Emergency Relief Payments

## What you need to know

On December 21, 2020, Congress passed the Consolidated Appropriations Act of 2021, in which it provided for additional COVID-19 related stimulus payments. Below is a breakdown of some key facts of the act:

- Stimulus payments issued and received under the act are **exempt** from garnishment, levy, and attachment by operation of law.
- The Treasury Department will encode electronic payments to allow institutions to identify such payments.
- Do not hold, freeze, or attach any stimulus funds in response to a garnishment summons or order.
- Creditors would be wise to not exercise a right of set-off against stimulus funds
- [Review the full text of the law.](#)

Prior to Congress acting, Virginia created a new automatic exemption for Covid-19 related stimulus payments. VA Code § 34-28.3. Virginia's exemption applies to **both** rounds of stimulus payments. Important takeaways from the new law include:

- Emergency relief payments are automatically exempt from creditor process, including garnishment.
- Financial institutions must "look back" two months after service of creditor process to locate and exempt emergency relief payments.
- Account holders can file exemption claims with courts if financial institutions fail to exempt stimulus payments
- [Review the full text of the law.](#)

Maryland Governor Larry Hogan previously issued an executive order exempting CARES Act Covid-19 relief payments from garnishment and lien.

- [Review the Governor's Order.](#)