



Missouri Changes Garnishment Fee

NOVEMBER 12, 2014 | PUBLICATIONS

Missouri recently amended Mo. Rev. Stat. §525.230 to allow for higher fees to be charged by financial institutions in processing garnishment orders. Previously, the statute allowed a financial institution to charge a fee equal to the greater of \$8 or 2% of the amount to be garnished, for the trouble and expense of processing the garnishment and paying over any garnished funds to the court.

Effective January 15, 2015, the revised statute allows a financial institution to charge a fee of no more than \$20 or the fee previously agreed upon between the financial institution and the account holder. This fee is in addition to “reasonably incurred” costs and attorney fees associated with answering interrogatories; however, the financial institution must file a motion with the court for these additional costs and fees before the date the financial institution delivers the funds subject to the garnishment.

So, what does this mean for your financial institution?

Currently most account agreements and/or fee schedules include terms and conditions that mimic the previous version of the statute which allows the financial institution to charge the greater of \$8 or 2% of the amount to be garnished. Depending on the size of the garnishment, this “old” wording may limit the institution’s ability to charge a fee that reasonably compensates it for the hassles associated with processing the garnishment. In order to maximize compensation and better mimic the revised version of the statute, financial institutions will likely want to amend their account agreements or fee schedules to allow for the higher fee.

AUTHORS

- [Aaron Prenger](#)

BLOG TOPICS

- [Community Bank Counselors](#)
 - [Compliance & Regulations](#)
 - [Legislative Updates](#)
 - [Lending and Loan Documentation](#)
 - [Regulatory](#)