

# GM Law Firm LLC Explains How Debt Collectors Can Seize the New \$1400 Stimulus Checks

*The American Rescue Plan gave \$1,400 to millions of people struggling financially, but debt collectors are seizing many checks. GM Law Firm explains how.*

BOCA RATON, FL, UNITED STATES, April 30, 2021 /EINPresswire.com/ -- Debt has undoubtedly become an integral part of American culture. It is estimated that the average American carries upwards of [\\$90,460 in consumer debt](#) between student loans, mortgages, credit cards, and personal loans.

The arrival of COVID-19 on the national scene only enhanced the debt issue for many citizens. As businesses of all sizes struggled and jobs fell away at alarming rates, it became clear that financial relief needed to be implemented on a greater level.

Rising debt and faltering incomes in American households were offset by the Cares Act, which was passed on March 27, 2020. This package provided a stimulus check of \$1,200 to qualifying Americans, with an additional \$500 for dependents.

A second economic relief bill was signed at the end of the year, and in December of 2020, the IRS sent out \$600 stimulus checks, paired with \$600 qualifying dependent child payments. The most recent economic relief package, known as The American Rescue Plan, distributed \$1,400 stimulus payments to both qualifying Americans and dependents beginning in March 2021.

While the payments were a relief to many, some Americans who qualified for the first round of \$1,200 stimulus checks saw their payments garnished by private debt collectors. In these cases, debt collectors had existing judgments against the debtors and were able to withdraw the funds directly from bank accounts.

The second round of \$600 stimulus checks came with legislation tied to the economic package that prevented any garnishment. This was implemented as lawmakers recognized that Americans needed cash flow to survive the financial fallout of the pandemic.

Unfortunately, garnishment is once again a possibility with the third stimulus payout of \$1,400. The American Rescue Plan was passed through reconciliation in the Senate without protections in place to prevent garnishment. The absence of this protection puts those in debt at risk of

having their stimulus funds pulled as soon as they are directly deposited into a bank account.

While lawmakers rush to try to amend the problem at hand, the team at [GM Law Firm](#) suggests that Americans who carry significant debt try to find alternate solutions to offset potential garnishment. At [GM Law Firm, LLC](#), the team takes a proactive approach to debt dismissal that helps those who are struggling under the weight of debt to enjoy the freedom they deserve.

The team at GM Law Firm understands how debt works and can provide clients with the resources they need to stay afloat. When debt collectors attempt to garnish stimulus checks to cover overdue payments, GM Law Firm, LLC, steps up with productive solutions so that hard-working Americans can get back on track financially.

#### About GM Law Firm

GM Law Firm, LLC, is a Florida-based consumer advocacy law firm. We specialize in private student loans, credit card debt, and medical debt. The attorneys at GM Law firm bring decades of litigation experience and a strong understanding of debtor laws. Working with these proven professionals, you will finally have peace of mind and a variety of debt-defense options.

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