



CONSUMER CREDIT
COUNSELING SERVICE

Possible Consequences Of A Judgment

Judgment – A court finding of fault and statement of legal entitlement to damages awarded to a plaintiff creditor and served to the judgment debtor that fails to satisfy a debt.

The list that follows represents “possible” consequences of having a judgment placed against you and your assets. This is for information only and not intended as legal advice. Please consult an attorney for your options if your financial situation is affected by a judgment.

Public Record – Judgments are filed at the county court house and are open to the public. Judgments may also be published in a Public Record Bulletin and in some communities they are published in the local newspaper.

Credit Report – Judgments are placed on personal credit files and remain there for seven years after satisfaction.

Interest and Other Costs – Interest at the state legal rate is added from the date of judgment issue. In the event the Sheriff handles this judgment, garnishment fees will be added to other costs and expenses to be collected from the debtor such as court costs and attorney fees.

Sheriff’s Execution and Repossession – The Sheriff of the debtor’s county, by writ of execution, can be directed to seize and sell as provided by law any or all non-exempt property such as checking or savings accounts, automobiles, motor cycles, trucks, boats or money that may be in debtor’s possession or name. A judgment may be executed at any time up to twenty years until satisfied.

Garnishment of Wages – A judgment allows for garnishment of debtor’s wages of commissions according to federal or state law. Debtor is limited to exempting that which is not capable of being garnished under federal law (80% of net disposable earnings (S.D.C.L. 43-45-14; 21-18-52), UNLESS the judgment is for support of child or spouse; then it can be up to 60% of disposable earnings.

Garnishment/Bank Levy – Can be done simultaneously if more than one judgment is served.

Lien on Home or Other Assets – A judgment becomes a lien against the debtor’s home or other real estate and normally has to be paid before the property can be re-financed or sold and title transferred.

Judgment Collectors – If not collected in a timely manner, the judgment may be sold to a private judgment collector who may employ skip-tracing measures to find a current location and transcript the judgment to the new county, up to 20 years later. Real property with the county is verified to ensure a judgment lien is correctly documented with title type etc. They may garnish wages and coordinate with the county sheriff to garnish other assets, and proceed with attachment or levy.

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A Program of Lutheran Social Services

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