

# Have you been served with Exemption Papers by the sheriff or received them in the mail?

*If so, here's what they mean and what you need to know to protect your property*

*This is intended for general information only and not as legal advice. If possible, consult with an attorney for advice and assistance in claiming your exemptions.*

**Receiving Exemption Papers means that a creditor has a money judgment against you, and that the creditor is entitled to try to collect some of your property to pay the money that you owe under the judgment.**

**There will be two important documents in the Exemption Papers:**

**1) A Notice of Right to Have Exemptions Designated**

- The notice will state that you have 20 DAYS from the date you receive the papers to claim your exemptions

**2) A Motion to Claim Exempt Property**

- You will claim your exemptions by filling out the Motion forms that came with the Notice
- It is best to consult with an attorney for advice and assistance in filling out the Motion forms correctly, but you can fill out the Motion forms yourself
- You may qualify for free assistance with one of the civil legal services organizations across the state
- You may contact the Legal Resource Finder (<https://nclrf.org/en/home>) to see if you qualify for free legal assistance

Filling out the Motion to Claim Exempt Property forms is how you take steps to protect and keep some or all of your property by claiming certain property you own as “exempt” from collection.

- The law protects (“exempts”) certain property you own from collection which means the creditor cannot collect the property to pay toward the judgment
- Each person’s financial situation is different, some will be able to exempt some of their property, others will be able to exempt all of the property they own
- It is very important to respond and fill out the Motion to claim your exemptions, otherwise you will be considered to have waived or given up your right to protect exempt property.
  - This means that property you could have exempted is exposed and available for the creditor to collect to pay the judgment

## Once you have completely filled out the Motion forms:

- Sign and date the Motion (there are 2 places to sign and date on the last page)
- Make TWO copies

## On the same day you sign and date the Motion:

- Take the original to the Clerk of Superior Court's office at the courthouse (the county listed on the Notice, which is usually the county where you live)
- Mail one copy to the creditor's attorney listed on the Notice
- Keep one copy for your records

If the creditor objects to your exemptions, the creditor should send you written objections and a notice of hearing (with a date and time) before a judge who will rule on the creditor's objections to your exemptions

- **IMPORTANT:** *If the creditor objects to your exemptions, it is best to consult with an attorney for advice as soon as possible*

## Other very important details about Exemptions:

- The creditor is allowed to send you Exemption Papers periodically, how often a creditor sends Exemptions Papers varies
- You must respond within 20 DAYS every time you receive Exemption Papers
- It is unknown how many times the creditor may serve Exemption Papers, but many creditors serve Exemption Papers multiple times for as long as the judgment is active
- Even when you file your Motion to Claim Exempt Property forms properly and on time, the creditor may have the Sheriff serve you with a Writ of Execution. This is a good reason to keep a copy of your filed Exemption Papers. You can use those to show that anything listed is protected from collection.

## How long does a money judgment last?

- The money judgment against you is valid for 10 YEARS from the date it was filed (docketed) with the Clerk of Superior Court
  - A money judgment can be extended once (the creditor files a lawsuit against you to extend the judgment) for another 10 YEARS
  - This means it is possible for a creditor to have a judgment against you for 20 years
  - Not all creditors file a lawsuit to extend the judgment, so some judgments end up being valid for 10 YEARS
  - Money judgments may appear on your credit report, and will gain interest at 8% each year.

**Filing Exemptions is a critical step to protect some or all of your assets, but it does not resolve the judgment.**