



## COVID-19 UPDATE: GOVERNOR ISSUES NEW EXECUTIVE ORDER THAT ADDS PROTECTIONS FOR CONSUMERS

By Darryl J. Horowitz

California's Governor Newsom has been active issuing executive orders to address the impact of the COVID-19 pandemic on Californians. Knowing that many Californians have applied for and received financial assistance under the CARES Act, on April 23<sup>rd</sup>, Governor Newsom issued Executive Order N-57-20, which provides the following protections:

1. Funds received under the CARES Act or any other financial assistance provided by a local, state or federal program are exempt from certain collection actions of creditors including attachment (i.e., a pre-judgment attachment permitted as part of a writ of attachment), levy, execution or garnishment. This exemption applies to funds in any account that can be traced to one of the financial assistance programs referenced above, *but does not apply where the attachment, levy, execution of garnishment arises from a judgment or order for child support, spousal support, family support or criminal restitution;*
2. Financial institutions cannot assert a lien or use their right of offset, as to any funds received under the CARES Act or any other financial assistance provided by a local, state or federal program;
3. If funds are collected in violation of these restrictions, they are to be refunded to the debtor without any demand or claim.

For a copy of the order see: <https://www.gov.ca.gov/wp-content/uploads/2020/04/4.23.20-EO-N-57-20.pdf>.

As further orders are issued that may affect you and your business, we will provide updates. If you have any questions in the meantime, please contact the author at (559) 248-4820, ext. 111 or [dhorowitz@ch-law.com](mailto:dhorowitz@ch-law.com).



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