

Why did I receive a Notice of Hearing to Appoint a Receiver?

- Someone (a person or company) previously filed and won a lawsuit against you where you were accused of owing an unpaid debt.
- The party who sued you (the "judgment creditor") won a judgment against you either because:
 - a judge ruled in favor of the judgment creditor, or
 - you did not file an answer or appear in court, resulting in a "default judgment" against you.
- The judgment creditor is asking the court to appoint a neutral third party (called a "receiver") to collect on the unpaid judgment.
- You must now appear before the court on the date stated in the notice.

Important Next Steps

1. **Attend the Hearing**
 - Bring financial information, including evidence of any exempt property.
 - Consider talking to a lawyer about your options beforehand.
2. **Respond Promptly to All Documents**
 - Keep track of all documents from the court or the receiver.
 - Missing deadlines can lead to losing important protections.
3. **Consider a Payment Plan**
 - Early negotiation may reduce added costs like receiver's fees, court costs, and post-judgment interest.

Free or Low Cost Legal Resources

- 📞 Legal Aid of NorthWest Texas
internet.lanwt.org | 888-529-5277
- 📞 Lone Star Legal Aid
www.lonestarlegal.org | 800-733-8394
- 📞 Texas Law Help
www.texaslawhelp.org
- 📞 State Bar of Texas
Lawyer Referral Service
www.texasbar.com | 800-252-9690

This resource offers a brief overview of Receiverships in debt claim cases. For more information, see the full Receivership Information Packet linked on our website: <https://www.tarrantcountytexas.gov/en/justice-of-the-peace-courts/justice-1.html>

Post-Judgment Receiverships

Helpful Information to Know If You Have Received a Notice of Hearing to Appoint a Receiver



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About Receiverships

A receivership is the name of the legal process when the court appoints a neutral third party (the "Receiver") to:

- Find and take possession of your non-exempt property
- Sell that property, if necessary, to pay back the judgment creditor
- Oversee collection fairly, under court supervision.

THE RECEIVER'S AUTHORITY

A receiver appointed by the Justice Court can:

- Obtain your credit/financial records
- Freeze or collect non-exempt bank accounts or property.
- Negotiate payment agreements with you, if reasonable.

IMPORTANT LIMITS ON RECEIVERS

In Tarrant County Justice Courts, receivers generally **cannot**:

- Enter or lock you out of your home or business
- Open your mail
- Collect cash you have on hand
- Cut off your utilities
- Direct law enforcement without specific court orders
- Seize exempt (protected) property

TIME LIMITATIONS

- The original judgment is typically valid for 10 years (unless renewed) and it can be enforced at any time by the creditor within that time period if the debt is not paid
- However, the receivership (specifically, the time when the receiver can freeze or collect your property) lasts for up to 180 days, and can be extended for good cause, usually only up to one year.

Exempt Property

Texas law protects many types of property from being taken by creditors. Examples include:

Income and Benefits:

- Current wages
- Social security, veterans, retirement, unemployment, workers' compensation, and other government benefits
- Child support and alimony

Real Estate:

- Your homestead (primary residence)

Accounts:

- Retirement accounts (401(k), IRA)
- Education savings accounts
- Health savings accounts

Personal Property (up to \$50,000 for individuals/\$100,000 for families):

- Basic household items and furnishings
- Clothing
- One vehicle per licensed driver
- Tools of your trade
- Limited jewelry and firearms
- Certain livestock and pets
- Bible or other sacred religious book

Non-Exempt Property

Receivers Can Take Property Including:

- Bank accounts with non-exempt funds
- Non-retirement investment accounts
- Second homes or investment properties
- Luxury items beyond necessity
- Extra vehicles
- Business assets (if not tools of trade)

See [Texas Property Code, Ch 42, Ch. 42](#), and [Texas Law Help](#) for a more complete list of property exemptions under state law.

Why You Should Attend the Hearing

If you don't attend, the court will likely:

- Appoint a receiver without hearing your side
- Give the receiver authority to freeze your accounts and take non-exempt property (or property that is not protected by law)
- Make decisions about your property without your input

Attending the hearing gives you the opportunity to:

- **Explain Your Financial Situation:** Let the court know about any special circumstances or existing payment efforts.
- **Claim Property Exemptions:** Texas law protects certain types of exempt property from being taken. You can raise these issues at the hearing.
- **Payment Arrangements:** Some creditors prefer a workable payment plan instead of a receivership. You can discuss possible agreements.
- **Ask Questions:** If you are unsure about the process, attending allows you to hear details and get clarity from the court.

Note: Court staff can address basic procedural questions but cannot give legal advice. If you need legal guidance or are unsure of your rights, consult an attorney.