Payday Lenders Using Courts to Create Modern-Day Debtors’ Prisons in Missouri, Critics Say

By Molly McDonough

A practice in Missouri of summoning debtors to civil court for an "examination" is resulting in arrests and prompting critics to complain about modern-day debtors’ prison tactics in the state.

While Missouri’s Bill of Rights explicitly declares “no person shall be imprisoned for debt, except for nonpayment of fines and penalties imposed by law,” the St. Louis Post-Dispatch reports that residents are regularly being jailed over their private debt. Jail time comes into play after a creditor secures a civil judgment against a debtor, then asks to have the debtor summoned to court for an "examination" to explore creditor assets, the Post-Dispatch explains. If the debtor is a no-show, the creditor can ask for the debtor's arrest in the form of a "body attachment." Once arrested, the debtor can be held until there's a court hearing or bond is posted.

"Debtors are sometimes summoned to court repeatedly, increasing chances that they'll miss a date and be arrested," the Post-Dispatch reports. "Critics note that judges often set the debtor’s release bond at the amount of the debt and turn the bond money over to the creditor—essentially turning publicly financed police and court employees into private debt collectors for predatory lenders."

The practice has drawn critics from Missouri legal aid offices and from politicians in neighboring Illinois, where legislation was recently signed restricting body attachments for civil debt.

"It is outrageous to think, in this day and age, that creditors are manipulating the courts, even threatening jail time, to extract whatever they could from people who could least afford to pay," Illinois Attorney General Lisa Madigan is quoted saying.

The Post-Dispatch, which told the story of a woman jailed three days over her $425 payday loan, notes judges differ in their approaches to body attachments, with some using them sparingly.