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NC Report Finds Converting Criminal Financial Obligations to Civil Judgments Results in Heavy Costs and Low Recovery Rate

DURHAM, NC – North Carolinians involved in the criminal justice system are assessed financial obligations that can add up to thousands of dollars—and most are poor and cannot pay them. The practice of converting these fines and fees to civil judgments has become increasingly common in the state, finds a report released today by the Center for Responsible Lending, Forward Justice, and the North Carolina Justice Center. But very little of the civil debt is paid off, so many individuals subject to the judgments go deep into debt and experience harsh consequences that may last for decades.

The report, "[Waiving Criminal Court Fees Prevents Harms of Civil Debt](#)," presents data distilled from North Carolina's Civil Case Processing System (known as VCAP) in a new method of analyzing the costs of these conversions among the states. Specifically, the report finds that while cases where criminal financial obligations were converted to civil judgments increased meaningfully from 2015 to 2022, few of the judgments were recovered:

- The report's analysis shows that from 2017 to 2021, North Carolina judges ordered more than **\$94 million** of criminal financial obligations docketed as civil judgments in **375,000** cases.
- **Only 4.7%** or \$4.5 million was collected by the end of 2021.
- About 29% or \$27.7 million of those obligations were for attorney's fees owed by **indigent defendants**.

Civil debt cannot be waived or remitted regardless of ability to pay, and consequences of judgments for defendants potentially include accruing interest at a rate of 8%, losing the chance of an expunction of their underlying criminal record, difficulty selling or transferring real estate, complications finding a job or housing, seizure of a state tax refund, and negative impact on credit scores.

The U.S. Constitution and North Carolina law require the court system to relieve those who cannot afford to pay their criminal financial obligations, and the authors recommend that lawyers consistently request waiver of those fines and fees for eligible defendants by filing the court form *Request For Relief From Fines, Fees And Other Monetary Obligations, And Order On Request*. We also recommend judges frequently waive the fines and fees rather than converting them to civil judgements.

Statements from authors:

Rochelle Sparko, director of North Carolina policy, Center for Responsible Lending:

Our report provides evidence that a high number of justice-involved North Carolinians are being saddled with a long-term, damaging burden of debt when the law requires—and a simple order facilitates—relief from financial obligations for those who cannot afford them. Given the significant financial challenges experienced by most folks involved in the justice system, our judges and lawyers have a duty to consider the circumstances of each defendant and to discuss potential adverse consequences when considering converting versus waiving fines and fees.

Whitley Carpenter, senior criminal justice counsel and policy manager, Forward Justice:

The criminalization of poverty is a major, yet neglected crisis in North Carolina. We hope that this report brings more awareness to the burdens that criminal court fines and fees have on the poorest people in our communities and the heightened burden that follows by converting those fines and fees into civil judgments. NC courts should assess a person's ability to pay before imposing unaffordable fines and fees, and waive or reduce the fines and fees for those who can't afford to pay.

Laura Webb, project director for the Fair Chance Criminal Justice Project, NC Justice Center:

Like many, I initially believed converting criminal justice fines and fees into civil judgments was beneficial because it may prevent incarceration or extended probation. However, after working with people experiencing the consequences of civil judgment, it is readily apparent there are major consequences to conversion that can destabilize already vulnerable families. I learned about some pitfalls of converting criminal justice debt into civil judgments while representing low-income individuals trying to obtain an expunction of their record. My clients faced large outstanding judgments and insurmountable interest while being unable to expunge their criminal records. This report identifies some of the consequences of converting criminal justice fines and fees into civil judgments, which will help people make informed decisions about handling their criminal justice fines and fees.

Report: [Waiving Criminal Court Fees Prevents Harms of Civil Debt | Center for Responsible Lending](#)

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