

**CHAPTER 53—SPECIAL PROVISIONS
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AMENDMENTS

- 2008—Pub. L. 110-252, title I, § 1303(a)(2), June 30, 2008, 122 Stat. 2327, added item 5302A.
2007—Pub. L. 110-157, title III, § 301(b)(2), Dec. 26, 2007, 121 Stat. 1836, added item 5317A.
2003—Pub. L. 108-183, title VII, § 708(c)(4)(B)(ii), Dec. 16, 2003, 117 Stat. 2675, substituted "Social Security Administration" for "Department of Health and Human Services" in item 5318.
2001—Pub. L. 107-103, title V, § 505(a)(2), Dec. 27, 2001, 115 Stat. 996, added item 5313B.
1996—Pub. L. 104-275, title V, § 502(b), Oct. 9, 1996, 110 Stat. 3341, added item 5313A.
1992—Pub. L. 102-568, title VI, § 603(b)(2), Oct. 29, 1992, 106 Stat. 4343, added item 5319.
1991—Pub. L. 102-40, title IV, § 402(c)(1), May 7, 1991, 105 Stat. 239, renumbered items 3101 to 3118 as 5301 to 5318, respectively.
1990—Pub. L. 101-508, title VIII, §§ 8051(b)(2), 8053(b)(2), Nov. 5, 1990, 104 Stat. 1388-351, 1388-353, added items 3117 and 3118.
1981—Pub. L. 97-66, title VI, § 604(a)(2), Oct. 17, 1981, 95 Stat. 1036, added item 3103A.
1980—Pub. L. 96-466, title VI, § 605(a)(2), Oct. 17, 1980, 94 Stat. 2211, added items 3114, 3115, and 3116.
Pub. L. 96-385, title V, § 504(b), Oct. 7, 1980, 94 Stat. 1535, added item 3113.
1978—Pub. L. 95-588, title III, § 305(b), Nov. 4, 1978, 92 Stat. 2508, added item 3112.
1972—Pub. L. 92-328, title II, § 203, June 30, 1972, 86 Stat. 397, substituted "claims by the United States" for "overpayments" in item 3102.

1970—Pub. L. 91-376, § 8(c), Aug. 12, 1970, 84 Stat. 790, added item 3111.

1962—Pub. L. 87-825, § 4(b), Oct. 15, 1962, 76 Stat. 950, added item 3110.

§ 5301. Nonassignability and exempt status of benefits

(a)(1) Payments of benefits due or to become due under any law administered by the Secretary shall not be assignable except to the extent specifically authorized by law, and such payments made to, or on account of, a beneficiary shall be exempt from taxation, shall be exempt from the claim of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. The preceding sentence shall not apply to claims of the United States arising under such laws nor shall the exemption therein contained as to taxation extend to any property purchased in part or wholly out of such payments. The provisions of this section shall not be construed to prohibit the assignment of insurance otherwise authorized under chapter 19 of this title, or of servicemen's indemnity.

(2) For the purposes of this subsection, in any case where a payee of an educational assistance allowance has designated the address of an attorney-in-fact as the payee's address for the purpose of receiving a benefit check and has also executed a power of attorney giving the attorney-in-fact authority to negotiate such benefit check, such action shall be deemed to be an assignment and is prohibited.

(3)(A) This paragraph is intended to clarify that, in any case where a beneficiary entitled to compensation, pension, or dependency and indemnity compensation enters into an agreement with another person under which agreement such other person acquires for consideration the right to receive such benefit by payment of such compensation, pension, or dependency and indemnity compensation, as the case may be, except as provided in subparagraph (B), and including deposit into a joint account from which such other person may make withdrawals, or otherwise, such agreement shall be deemed to be an assignment and is prohibited.

(B) Notwithstanding subparagraph (A), nothing in this paragraph is intended to prohibit a loan involving a beneficiary under the terms of which the beneficiary may use the benefit to repay such other person as long as each of the periodic payments made to repay such other person is separately and voluntarily executed by the beneficiary or is made by preauthorized electronic funds transfer pursuant to the Electronic Funds Transfers Act (15 U.S.C. 1693 et seq.).

(C) Any agreement or arrangement for collateral for security for an agreement that is prohibited under subparagraph (A) is also prohibited and is void from its inception.

(b) This section shall prohibit the collection by setoff or otherwise out of any benefits payable pursuant to any law administered by the Secretary and relating to veterans, their estates, or their dependents, of any claim of the United States or any agency thereof against (1) any person other than the indebted beneficiary or the beneficiary's estate; or (2) any beneficiary