

SENATE BILL 423

I3

9lr1310
CF 9lr1357

By: **Senator Kelley**

Introduced and read first time: February 2, 2009

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection – Debt Collection – Collecting from a Cosigner**

3 FOR the purpose of requiring certain debt collectors to attempt collection of a debt
4 from a certain borrower before attempting to collect the debt from a certain
5 cosigner; and generally relating to the collection of a debt from a cosigner.

6 BY repealing and reenacting, with amendments,
7 Article – Commercial Law
8 Section 14–202
9 Annotated Code of Maryland
10 (2005 Replacement Volume and 2008 Supplement)

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15 (2005 Replacement Volume and 2008 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article – Commercial Law**

19 14–202.

20 In collecting or attempting to collect an alleged debt a collector may not:

21 (1) Use or threaten force or violence;

22 (2) Threaten criminal prosecution, unless the transaction involved the
23 violation of a criminal statute;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) Disclose or threaten to disclose information which affects the
2 debtor's reputation for credit worthiness with knowledge that the information is false;

3 (4) Except as permitted by statute, contact a person's employer with
4 respect to a delinquent indebtedness before obtaining final judgment against the
5 debtor;

6 (5) Except as permitted by statute, disclose or threaten to disclose to a
7 person other than the debtor or his spouse or, if the debtor is a minor, his parent,
8 information which affects the debtor's reputation, whether or not for credit worthiness,
9 with knowledge that the other person does not have a legitimate business need for the
10 information;

11 (6) Communicate with the debtor or a person related to him with the
12 frequency, at the unusual hours, or in any other manner as reasonably can be
13 expected to abuse or harass the debtor;

14 (7) Use obscene or grossly abusive language in communicating with
15 the debtor or a person related to him;

16 (8) Claim, attempt, or threaten to enforce a right with knowledge that
17 the right does not exist; [or]

18 (9) Use a communication which simulates legal or judicial process or
19 gives the appearance of being authorized, issued, or approved by a government,
20 governmental agency, or lawyer when it is not; **OR**

21 **(10) ATTEMPT TO COLLECT THE DEBT FROM A COSIGNER BEFORE**
22 **ATTEMPTING TO COLLECT THE DEBT FROM THE PRIMARY BORROWER.**

23 14-203.

24 A collector who violates any provision of this subtitle is liable for any damages
25 proximately caused by the violation, including damages for emotional distress or
26 mental anguish suffered with or without accompanying physical injury.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2009.