

# HOUSE BILL 476

I3

3lr1343

---

By: **Delegates Guyton, Foley, Terrasa, and Valderrama**

Introduced and read first time: January 30, 2023

Assigned to: Economic Matters

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection – Debt Collectors – Debtors With Multiple Debts**

3 FOR the purpose of prohibiting debt collectors from applying a debt payment made by a  
4 debtor with multiple debts to a disputed debt; requiring debt collectors to apply a  
5 debt payment made by a debtor with multiple debts in accordance with the debtor's  
6 directions; and generally relating to debt collection practices.

7 BY repealing and reenacting, with amendments,

8 Article – Commercial Law

9 Section 14–202

10 Annotated Code of Maryland

11 (2013 Replacement Volume and 2022 Supplement)

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

14 **Article – Commercial Law**

15 14–202.

16 **(A)** In collecting or attempting to collect an alleged debt a collector may not:

17 (1) Use or threaten force or violence;

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

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

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

13 (8) Claim, attempt, or threaten to enforce a right with knowledge that the  
14 right does not exist;

15 (9) Use a communication which simulates legal or judicial process or gives  
16 the appearance of being authorized, issued, or approved by a government, governmental  
17 agency, or lawyer when it is not;

18 (10) Engage in unlicensed debt collection activity in violation of the  
19 Maryland Collection Agency Licensing Act; or

20 (11) Engage in any conduct that violates §§ 804 through 812 of the federal  
21 Fair Debt Collection Practices Act.

22 **(B) IF A DEBTOR WHO OWES MULTIPLE DEBTS MAKES A PAYMENT TO A DEBT**  
23 **COLLECTOR WITH RESPECT TO THE DEBTS, THE DEBT COLLECTOR:**

24 **(1) MAY NOT APPLY THE PAYMENT TO ANY DEBT THAT IS DISPUTED**  
25 **BY THE DEBTOR; AND**

26 **(2) SHALL APPLY THE PAYMENT IN ACCORDANCE WITH THE**  
27 **DEBTOR'S DIRECTIONS.**

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 2023.