



National Association of Consumer Advocates

**Testimony to the House Economic Matters Committee
HB 365 – Debt Collection - Exemptions from Attachment
Position: Favorable**

February 12, 2020

Dereck E. Davis, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401
CC: Members, House Economic Matters Committee

Honorable Chair Davis and Members of the Committee:

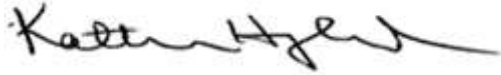
The National Association of Consumer Advocates is a nonprofit corporation whose members are private and public sector attorneys, legal services attorneys, law professors, and law students whose primary focus involves the protection and representation of consumers. NACA's mission is to promote justice for all consumers by maintaining a forum for information-sharing among consumer advocates across the country and by serving as a voice for its members and consumers in the ongoing struggle to curb unfair or abusive business practices that affect consumers. In pursuit of this mission, NACA advocates for wage garnishment protections for consumers and families.

I litigate post-judgment garnishment issues on behalf of consumers. The process is tedious and consumers often lack the resources to raise legitimate legal challenges. Judgment debtors are often the last to know when a wage garnishment has been filed with their employer, so do not have the ability to prepare for the loss in income. In addition, Maryland law allows bank account garnishment to occur simultaneously, which means that a consumer can have all of their assets frozen while their wages are reduced.

Marylanders need more protected wages in order to survive during the post-judgment collections process. In most cases, these individuals already had a negative credit event, and are paying higher interest rates on other debts, such as car payments and personal lines of credit. Depleting their coffers below the poverty level weakens a consumer's ability to rebound from financial problems without experiencing more default. It also limits the resources they have to challenge errors, such as bad service of process or mistaken identity, and to maintain a quality of life for their families while garnishment occurs.

Consumers and their families need more resources available to make ends meet during wage garnishments, and Maryland needs to modernize this law. HB 365 will provide these necessary resources. For this reason, we strongly urge a favorable report.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen Hyland".

Kathleen P. Hyland, Esq.
Maryland State Chair, NACA