



Testimony HB 585
House Economic Matters
February , 2021
Position: FAVORABLE

Dear Chairman Davis & Members of the House Economic Matters Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

HB 585 would prohibit a collection agency from passing to a consumer any costs associated with certain filing fees; establishing the Financial Capabilities and Legal Assistance Fund as a special, non-lapsing fund to receive and distribute funds to qualified nonprofit entities that provide counselling services and legal assistance to consumers related to consumer credit and debt collections; requiring the Division to adopt certain regulations; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; etc.

CDN has been a part of many Maryland consumer protection and financial services protection policies in the past seven years. Most recently, CDN participated in the Attorney General's COVID-19 Access to Justice Task Force. The pandemic's economic impact has put more people into legal jeopardy over debt. The task force found that many consumers are left with inadequate resources to pay for basic needs after debt judgments, and they are often overwhelmed by having their wages garnished rather than being allowed to develop a reasonable income-based repayment plan.

These people across the state need support to help them navigate financial and legal systems that push them into financial distress. Too often legal aid organizations and financial services organizations that work on consumer debt issues often lack the resources to meet the needs of distressed consumer. Without additional support, many more people will be left behind. Of particular concern are vulnerable low-income families and elderly residents throughout the state who are disproportionately impacted by the COVID-19 virus.

We respectfully request a favorable report.

Submitted by Claudia Wilson Randall, Associate Director, Community Development Network