



1155 F Street, N.W. • Suite 400 • Washington, DC 20004

March 3, 2022

Maryland General Assembly
Senate Education, Health and Environmental Committee

Dear Chairman Pinsky, Vice-Chairwoman Kagan and Honorable Members of the Committee,

On behalf of The Home Depot and our 8,000 plus associates across the state of Maryland, we submit this written testimony in support of Senate Bill 855: Business Regulation – Home Improvement Contracts – Deposits by Financial Institutions, introduced by Senator Eckardt.

This bill deals directly with the Maryland partial pay statute regulating home improvement contractors. The partial pay statute, while its intentions protect Maryland consumers from being taken advantage of by fly-by-night contractors, currently does not reflect the practices by some of the largest home improvement retailers in the marketplace, like The Home Depot.

S.B. 855 will modernize the statute, in respect to financing options, while keeping the current protections in place. It will provide greater access to credit and financing options for Marylanders at time when more and more people are investing in their homes. Working with established and highly regulated financial institutions like CITI Bank, The Home Depot offers several financing and credit options, that under current policy, are only offered for a portion of the purchase at a time.

Under current law, only 1/3 of the project cost can be financed at signing – and the remaining balance would be financed a later date, typically at project completion. Between those dates, a customer's financial situation can and does change. An unforeseen emergency, car trouble, or childcare expense can impact a customer's credit rating and ability to receive the same financing options for remainder of the cost of their project.

According to the Federal Reserve Bank of New York, "Credit is a tool to tap future resources for use today." While we recognize this body's desire to keep the partial pay statute in place, S.B. 855 amends a portion of it that will improve access to financing options when Marylanders are completing necessary and critical home repairs.

We thank the Committee for hearing this bill and ask for a favorable report on Senate Bill 855.

Brian

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