



Testimony offered on behalf of:  
**MARYLAND MORTGAGE BANKERS & BROKERS ASSOCIATION, INC.**

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**IN OPPOSITION OF:**  
**SB0156 – Civil Actions – Specialties – Statute of Limitations**

**Judicial Proceedings Committee**  
**Hearing – 2/3/2022 at 1:00 PM**

The Maryland Mortgage Bankers and Brokers Association, Inc. (“MMBBA”)  
**OPPOSE SENATE BILL0156 for the following reasons:**

Senate Bill0156 would extend the statute of limitations from three years to 12 years for debtors to bring actions against lenders/debt collectors in connection with (or, in the words of SB 156, “related to or concerning”) loan documents that are under “seal” or deemed to be “specialties.” Lenders have the benefit of the extended 12-year statute of limitations for loan documents that are under “seal” or deemed to be “specialties,” but debtors currently do not.

SB0156, if enacted, would have the effect of reversing a decision of the Maryland Court of Appeals decided in August 2021 titled *Cain v. Midland Funding, LLC*. Midland Funding, LLC allegedly engaged in improper debt collection activities in connection with money judgments against the plaintiffs at a time when Midland was not licensed as a collection agency under Maryland law. The plaintiffs sued Midland claiming unjust enrichment and asserted statutory and disgorgement claims. The Court of Appeals held that the plaintiffs’ claims for monetary damages were barred by the three-year statute of limitations and that the plaintiffs were not entitled to the extended 12-year statute of limitations.

The basis for the MMBBA opposition is that statute of limitations is designed to prohibit stale claims from proceeding, and the legislature has historically crafted only a few exceptions from the general three-year rule. SB0156 would improperly expand the statute of limitations in an area that has already been judicially considered.

For these reasons, the MMBBA urges an **UNFAVORABLE REPORT on Senate Bill0156.**

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