



**Memorandum in Opposition
State of Maryland**

January 27, 2022

Senator Will Smith, Chair
Senator Jeff Waldstreicher, Vice Chair
Senate Committee on Judicial Proceedings
Maryland Senate
11 Bladen Street Room 2 East Wing
Annapolis, MD 21401

Dear Senators Smith and Waldstreicher:

On behalf of PRA Group, Inc. and its wholly-owned subsidiaries (collectively, “PRA”), I am writing in **opposition** to Maryland Senate Bill 156 (referred to as “MD S 156”). While the rationale for the bill is understandable, as written, this bill may have an unintended negative impact to consumers and businesses.

PRA is a publicly-traded company that, through its subsidiaries, purchases portfolios of consumer receivables from major banks, and then partners with individuals as they repay their obligations, working toward financial recovery. We are a leader in the nonperforming loan industry and take our leadership obligations within our industry seriously. We work with consumers to resolve their obligations and typically offer a discount on the face value of the debt. In addition, we typically charge no interest or fees on debt we purchase domestically. PRA is also a willing participant to any action that combats predatory debt collection practices and those actions in harming both consumers and legitimate businesses.

Respectfully, PRA opposes MD S 156 as it will invite a flood of litigation and be harmful to both consumers and businesses. Current law provides both consumers and creditors with a three-year statute of limitations to sue. The statute of limitations for both consumers and creditors is three years across the board to file for breach of contract, violation of consumer protection laws, and a host of other similar causes of action. The 12-year statute of limitation applies narrowly to creditors enforcing judgments, because under the law, judgments are valid for 12 years. The longer 12-year statute of limitation is a protection for creditors to enforce judgments so long as they are valid. Similarly, there are separate protections under the law for consumers in the process—such as limitations on bank and wage garnishments.



This bill applies retroactively. By increasing the statute of limitations four-fold from three to 12 years for consumer claims, our industry will be flooded with retroactive claims from 2010-2019. This is retroactive legislation contra to the *Cain* holding, which provided that the 12-year statute of limitation applies only to creditor claims to enforce judgments, not consumer claims related to a judgment. Retroactive legislation is unjust as there is no fair chance of avoiding the wrong. Retroactive legislation will place increased burdens on the courts as consumer attorneys flood the courts with litigation. While bad actors could benefit, consumers and consumer-friendly business, such as PRA, could be harmed. Moreover, the integrity of the consumer credit system could be tarnished.

As written, any actions on, **RELATED TO OR CONCERNING** judgments and other specialties will be provided a 12-year statute of limitations. This change will result in a seemingly never-ending statute of limitations for any claim arising from post-judgment enforcement activity, because each post judgment action a creditor takes “relates to” the judgment and basically re-starts the 12-year statute of limitations. The change will result in an increase of consumer litigation against creditors, only serving to enrich the trial attorneys creating the bill. Increased litigation with consumers should not be the preferred public policy outcome of the bill.

As drafted, we believe this legislation will bring unintended harm to consumers and unnecessary burdens placed on the business community. For all the reasons mentioned above, we respectfully oppose passage of this legislation as it is currently drafted.

Thank you very much for your attention in this important matter. Please feel free to contact me directly for any further information.

Best regards,

Elizabeth A. Kersey
Senior Vice President, Communications and Public Policy
PRA Group
150 Corporate Boulevard
Norfolk, VA 23502
Elizabeth.Kersey@PRAGroup.com
(757) 961-3525 (office)
(757) 641-0558 (mobile)