



**Date:** February 22, 2023

**Committee:** Economic Matters

**Bill:** House Bill 476- Consumer Protection - Debt Collectors - Debtors With Multiple Debts

**Position:** Favorable with Amendments

---

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland.

Md. Code Ann. Comm. Law § 14-202 governs fair debt collection practices. House Bill 476 (HB 476) amends the statute such that that if a debtor owes multiple debts, and makes a payment to the debt collector, then the debt collector may not apply the payment to any debts that are disputed. The debt collector must also apply the payment as the debtor directs them too.

The bill's intent is to memorialize existing federal law under the Federal Fair Debt Collection Practices Act (FDCPA). FDCPA defines a debt collector as any person who regularly collects, or attempts to collect, consumer debts for another person or institution or uses some name other than its own when collecting its own consumer debts. The definition includes, for example, an institution that regularly collects debts for an unrelated institution, such as an institution that, under a reciprocal service arrangement, solicits the help of another in collecting a defaulted debt from a customer who has moved.<sup>1</sup>

However, MD. Code Ann. Comm. § 14-201 provides a much broader definition. Namely, a "collector" may be any person attempting to collect an alleged debt arising out of any consumer transaction. Unamended, HB 476 would regulate entities that are clearly outside the contemplation of applicable federal law.

To harmonize the two statutes and accomplish the bill's stated objective, MMHA recommends the following amendment:

On page 2, line 22, insert:

- (b) In this paragraph the following words have the meanings indicated.
- (c) "Collector" has the same meaning as 15 U.S.C 1692 (a)(6)

For more information, please contact Lauren C. Graziano, Senior Government Affairs Manager, 518.522.3529

---

<sup>1</sup> 15 USC 1692