

MICHELE GUYTON
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Environment and Transportation
Committee



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

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FAVORABLE

HB 476 – Consumer Protection – Debt Collectors – Debtors with Multiple Debts

Dear Mr. Chair and Members of the Economic Matters Committee,

I request a favorable report on HB 476, which is intended ensure that payments are credited to the debts for which they are intended by the debtor.

Current law already provides these consumer protections in dealings with third-party debt collectors. Third-party collectors are required to apply a payment only to debt assigned by the debtor and may not apply the payment to any debt that is under dispute by the debtor. Businesses that collect their own debts, however, are not subject to this law.

There are a few reasons that this change is needed to promote equity for consumers. If payments are being applied to past debts and to fees, it is extremely difficult for a debtor to either understand the process, or to catch up with their payments when the goalposts are constantly moving. More importantly, if a collector credits a payment to a bill that is under dispute against the instructions of the debtor, it may be considered a concession by the debtor in court proceedings.

House Bill 476 increases protections for consumers and eliminates deceptive and unfair debt collection practices. For these reasons, I hope for a favorable report on HB 476.

Thank you,

A handwritten signature in cursive script that reads "Delegate Michele Guyton".

Delegate Michele Guyton, District 42B