



Maryland Legislative Action Committee
The Legislative Voice of Maryland Community Association Homeowners

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February 20, 2023

Hon. Delegate C.T. Wilson, Chair
Hon. Senator Brian M. Crosby, Vice Chair
Hon. Delegate Michele Guyton, Sponsor
Hon. Delegate Linda Foley, Sponsor
Hon. Delegate Jen Terrasa, Sponsor
Hon. Delegate Kriselda Valderrama, Sponsor
Economic Matters Committee
House Office Building, Room 231
6 Bladen Street
Annapolis, Maryland 21401

Re: HB476 - Consumer Protection – Debt Collectors – Debtors With Multiple Debts

Hearing: February 22, 2023 Position: OPPOSED

Dear Chairman Wilson, Vice Chairman Crosby, Delegate Guyton, Delegate Foley, Delegate Terrasa, Delgate Valderrama, and Committee Members:

This letter is submitted on behalf of the Maryland Legislative Action Committee (“MD-LAC”) of the Community Associations Institute (“CAI”). CAI MD-LAC represents individuals and professionals who reside in, or work with, condominiums, homeowners’ associations, and cooperatives throughout the State of Maryland.

MD-LAC is writing today to voice our opposition against HB476. The bill requires a debt collector to (1) not apply any payment submitted by a debtor to “any debt that is disputed by the debtor”; and (2) “apply the payment in accordance with the debtor’s directions.” First, this bill would be problematic because it does not define the word “disputed.” Unlike the federal Fair Debt Collection Practices Act, which prohibits a debt collector from attempting to collect debt

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that a debtor disputes in writing until that debt collector has verified the debt, there is no analogue in Maryland consumer protection statutes to define when a debt is “disputed”, and this bill does not provide a definition. Second, while it is common that debtors dispute debts, not all such disputes are meritorious, and some debtors will still dispute debts even if those disputes were confirmed by a court judgment. Third, federal law already requires debt collectors to apply payment in accordance with debtor’s instructions, and, in the absence of defined similar terms in Maryland consumer protection law, providing a similar requirement under state law is redundant, invites litigation, and makes it harder for debt collectors and creditors to recover sums justly due to them, including creditors whose debts have been confirmed by court order.

Accordingly, we respectfully request that the Committee give HB476 an unfavorable report. We are available to answer any questions which you may have. Please feel free to contact any of the individuals listed: Lisa Harris Jones, CAI MD-LAC lobbyist, at 410-366-1500 or lisa.jones@mdlobbyist.com; Steven F. Dunn, CAI MD-LAC, at 301-347-1276 or sfdunn@lercheary.com; or Steven Randol, Chair, at 410-695-2183 or MDLACChair@gmail.com.

Sincerely,



Steven F. Dunn
MD-LAC for CAI
MD-LAC for CAI



Steven Randol
Chairman

CAI is a national organization dedicated to fostering vibrant, competent, harmonious community associations for more than thirty years. Its members include community association volunteer leaders, professional managers, community management firms, and other professionals and companies that provide products and services to common interest associations. As part of its mission, CAI advocates for legislative and regulatory policies that support responsible governance and effective management. As part of this purpose state Legislative Action Committees represent CAI members before state legislatures and agencies on issues such as governance, assessments collection, insurance and construction defects.