

Chairman CT Wilson
Room 231
House Office Building
Annapolis, Maryland 21401

Bill - Consumer Protection and Debt Collection - Exemptions From Attachment and Requirements on Judgment Creditors
Organization – MD|DC Credit Union Association
Position - **Opposed**

Chairman Wilson, Vice-Chair Crosby, and Members of the Committee,

The MD|DC Credit Union Association, on behalf of the 70+ Credit Unions and their 1.9 million members that we represent in the State of Maryland, appreciates the opportunity to testify on this legislation. Credit Unions are member-owned, not-for-profit financial cooperatives that prioritize the financial well-being of their members. **We respectfully oppose this bill.**

First and foremost, credit unions rarely pursue judgments to garnish wages. The credit union movement is best known for its member relations, willingness to help members in need, and primary purpose of helping our members gain financial freedom. In the rare case that a credit union pursues wage garnishment to recoup funds, you can rest assured that all other avenues have been pursued first. Accordingly, if a credit union does pursue wage garnishment to recoup funds, a significant amount of time and costs have already been spent to try to remedy the situation. In other words, when we pursue wage garnishment, we really have no other options.

As member-owned, democratically controlled, financial cooperatives, the only funds that we can lend or use to create new products (other than grants and other sporadically timed programs) for our members are the funds that come from the members themselves, and when the decision is made to pursue garnishment, it is made by our members. If we cannot collect funds from those who fail to pay debts, it directly harms the other members. This bill also makes any violation of this statute an unfair trade practice which allows debtor's counsel to collect attorney's fees for any violation, as well as punitive damages and possibly a class action. This provision incentivizes debtors' lawyers to file suits for even minor violations. Typically, the attorney's fees substantially exceed any actual damages incurred by the debtor. This is not fair to the other members, and for that reason, we oppose this bill.

Please do not hesitate to contact me at 443-325-0774 or jbratsakis@mddccua.org. Thank you for your consideration.

Sincerely,



John Bratsakis
President/CEO
MD|DC Credit Union Association