



**HB 661 - Consumer Protection and Debt Collection - Exemptions From Attachment and Requirements on Judgment Creditors**

**Committee:** House Economic Matters Committee

**Date:** February 20, 2024

**Position:** Unfavorable

The Maryland Bankers Association (MBA) **OPPOSES** HB 661. This legislation increases the amount of disposable wages that are exempt from wage garnishment and implements additional recordkeeping requirements on judgment creditors. This legislation complicates garnishment processes and decreases the likelihood that creditors will recover owed funds in a timely manner.

Extending credit requires balancing the borrower's desire to use a lender's funds with the lender's need to recover those funds. If a lender's ability to recover debts becomes weakened, it becomes more unfeasible for them to extend credit. HB 661 represents a significant expansion of the exemption a judgment debtor can use to avoid paying creditors. HB 661 not only increases the amount of wages exempt from garnishment, but creates uncertainty for creditors by indexing the proposed increase to the Consumer Price Index of all urban consumers in the Mid-Atlantic region. HB 661, if passed, will overall have a chilling effect on lending in Maryland.

Accordingly, MBA urges an **UNFAVORABLE** report on HB 661.

*The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing more than 26,000 Marylanders and holding more than \$209 billion in deposits in over 1,200 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.*