



**TESTIMONY FOR HB0661
CONSUMER PROTECTION AND DEBT COLLECTION – EXEMPTIONS FROM
ATTACHMENT AND REQUIREMENTS ON JUDGMENT CREDITORS**

Bill Sponsor: Delegate Charkoudian

Committee: Economic Matters

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Aileen Alex, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB0661 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Many Marylanders suffer under the weight of debt –

- Excessive student loans
- Borrowings on credit cards
- Mortgage or rent payments they can't afford

Currently, the process for a creditor to get payment for these debts is to have the debtor's wages garnished. The debtor is permitted to keep a certain percentage of their wages in order to pay for housing, food, and other essentials. However, this percentage approach harms low-income earners. They get to keep fewer actual dollars to survive on.

This bill, if enacted, would allow individuals to keep 40 times the state minimum hourly wage in effect at the time wages are due vs the 30 they can keep today. It will also require creditors to provide proof that the garnished wages have been paid so the debtor knows how much has been credited to their debt. It also makes a violation of the reporting requirements an unfair, abusive, or deceptive trade practice that is subject to enforcement penalties under the Maryland Consumer Protection Act.

We support this bill and recommend a **FAVORABLE** report in committee.