



HB622 Consumer Reporting Agencies - Records of Criminal Proceedings - Prohibition
Position: Favorable

3/20/2024

The Honorable Pamela Beidle, Chair
Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401
CC: Members of the Senate Finance Committee

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

As an organization with a long history of advocating for consumer protection, I am writing to urge your favorable report on HB622. HB622 seeks to prohibit consumer reporting agencies from including crimes in which the consumer was falsely accused, acquitted, exonerated, found not guilty, or those that have been expunged, in determination of whether or not a consumer is creditworthy.

The creditworthiness of a consumer as determined by these consumer reporting agencies can be used in a myriad of contexts, including mortgage and loan applications, apartment rentals, university applications, and even utility services. In fact, 9 in 10 employers, 4 in 5 landlords, and 3 in 5 colleges and universities now use background checks to screen out applicants with criminal records.¹

People of color and low-income individuals are disproportionately arrested for petty crimes, particularly drug possession. As Maryland has made strides to decriminalize cannabis and improve expungement processes of nonviolent crimes, and as nearly a third of working-age Americans have some sort of criminal record, these petty crimes should not prevent an individual from accessing credit.

Maryland already prohibits consumer reporting agencies from including crimes that have been expunged for over seven years in consumer reports,² this bill would simply shorten that timeline to ensure that individuals are able to find well-paying employment and stable housing after exoneration or expungement, which lowers the likelihood of recidivism in the long term.

People should not be doubly punished for low-level crimes that disproportionately impact vulnerable communities, and no one should be prevented from accessing credit due to a crime they did not commit.

For these reasons we urge a favorable report on HB622.

¹ <https://www.americanprogress.org/article/criminal-record-shouldnt-life-sentence-poverty-2/>

² <https://iprospectcheck.com/maryland-background-check/#::~:~:text=Maryland%20also%20forbids%20CRAs%20from,of%20information%20can%20be%20reported.>



Sincerely,
Zoe Gallagher, Policy Associate