



**House Bill 431 – Civil Actions – Consumer Contracts – Limitations Period  
Hearing on January 28, 2025 – Economic Matters Committee  
Position: FAVORABLE**

*Maryland Legal Aid (MLA) submits its written and oral testimony on HB 431 in response to a request from Delegate Vaughn Stewart.*

Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents, including abused and neglected children, nursing home residents, and veterans. Maryland Legal Aid (MLA) appreciates the opportunity to testify in support of this vital legislation. We are the state's largest nonprofit law firm, representing thousands of low-income Marylanders every year in civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law, and criminal record expungements to remove barriers to obtaining child custody, housing, driver's licenses, and employment. Because HB 431 would protect a consumer's right to sue as established under State law, even if the contract with a company limits that ability, MLA testifies in strong support of this bill.

In the last twenty years, as consumer contracts have become more complex and presented electronically in a read and click approval format, companies have increasingly included provisions that a person may not see or truly understand. Some of these contracts require steps such as binding arbitration, while others limit the consumer's ability to sue entirely. Even if a consumer contract is in writing, the document is often lengthy with many provisions that are not explained and are not read. HB 431 clarifies that regardless of what a consumer contract states provisions that are illegal are not enforceable and the ability for a consumer to defend against a violation of Maryland's consumer protection laws cannot be abbreviated by the seller's boilerplate written agreement.

At MLA, we have seen how difficult it is in the best of circumstances for clients to understand standard contract terms in consumer agreement. More and more documents are sent and received electronically and purchases for personal loans, telephones, credit cards and vehicles can impose enormous losses on the consumer who do not understand terms and provision. Very few if any of our consumer clients knows if a provision is illegal or the limitations period in Maryland. HB 431 makes clear that consumers that enter into agreements in Maryland with illegal provisions, including limitations periods that do not follow state law, are not enforceable.

Because this bill would prevent companies from enforcing consumer contracts that are illegal under Maryland law, MLA gives strong support to HB 431. If you need additional information regarding this bill, please contact William Steinwedel at [wsteinwedel@mdlab.org](mailto:wsteinwedel@mdlab.org) and (410) 951-7643.