



Testimony to the House Economic Matters Committee

HB393 Commercial Law - Attachment of Wages - Exemptions (Exempt Income Protection Act)

Position: Unfavorable

January 28, 2025

The Honorable CT Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401

cc: Members, House Economic Matters

Honorable Chair Wilson and members of the committee:

The National Consumer Law Center (NCLC) submits this written testimony in strong opposition to HB 393. Founded in 1969, NCLC uses the tools of advocacy, education, and litigation to fight for economic justice for low-income and other vulnerable people who have been abused, deceived, discriminated against, or left behind in our economy.

Each year NCLC publishes its No Fresh Start report, which grades the states based on how well state laws protect low income people from aggressive debt collection that can push already struggling families into hunger or homelessness.

This year's report, [No Fresh Start: Will States Protect Families from Debt Collectors Seizing Wages and Bank Balances?](#) emphasizes the importance of self-executing protections - protections that take effect without the need for any legal action.

HB393 alters the way in which wages are protected from garnishment in Maryland. In 2020, this committee and the General Assembly passed HB0365/SB425, which, for the first time in more than 30 years, updated Maryland's protection, allowing a worker to keep the greater of 75% of wages or 30 times the Maryland minimum wage.

HB393 would change the calculation of wages that are exempt from garnishment, retaining the protection for 75% of disposable wages but striking the protection for 30 times the Maryland minimum wage. Instead, HB393 would protect 150% of the federal poverty level for weekly income based on the household size. This would add a layer of complexity for workers who would have to both know about the protection based on family size and establish what their family size is by some mechanism not described in the bill. This could also create a burden and confusion for employers who, under the bill, would have to notify the worker of the amount of wages exempt from garnishment and the method used to calculate the amount of wages subject to garnishment.

While pegging wage garnishment to the federal poverty level for a family's size does make some intuitive sense, we have found that complexity is the enemy of efficacy in these laws. Consumers in [Maryland](#) and [around the country](#) are almost never represented by lawyers when they are sued in collection lawsuits. As a result, most people will be unable to navigate a legal process to establish that they are entitled to a higher level of protection for their wages based on family size. For example, a 2024 report found that in Hamilton County, Tennessee [only 5% of cases](#) where a judgment had been entered took advantage of the option to request an installment payment by filing a separate motion in court, meaning that the remaining 95% that did not submit the motion could not access more affordable monthly payments or avoid wage garnishment.

In order to protect working families who are living paycheck to paycheck, it is critical to continue providing self-executing wage garnishment protections that are automatically applied to protect working people's paychecks.

For these reasons, we oppose HB393 and urge an unfavorable report.

Sincerely,

Michael Best, Senior Attorney