



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

Honorable Chair Wilson and members of the Economic Matters Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non- profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities.

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

CDN is in opposition to HB393. Despite its title, it will effectively roll back wage protections for low-income households and families living paycheck to paycheck.

HB393 would shift the calculation of wages that are exempt from garnishment. HB393 would retain the 75% of disposable wages but strike 30 times the Maryland minimum wage and replace it with 150% of the federal poverty level.

HB393 provides a modest \$20 increase in protection from current law but in practice would make it difficult for families to receive that \$20 increase. To prove household size, the debtor would have to go to court or somehow attest or otherwise prove household size. Essentially, fewer families would receive the \$20 increase and the majority of low-income households would see a reduction in protections.

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

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network

