



**House Bill 1020 – Consumer Protection – Credit Reporting – Medical Debt  
(Fair Medical Debt Reporting Act)  
Hearing on February 18, 2025 – Economic Matters Committee  
Position: FAVORABLE**

*Maryland Legal Aid (MLA) submits its written and oral testimony on HB 1020 in response to a request from Delegate Julie Pakakovich Carr.*

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 matters related to housing, foreclosure, family law, social security and public benefits. Because HB 1020 eliminates credit reporting in connection with medical debt, MLA testifies in strong support of this bill.

Generally medical debt is the result of something that was beyond the person’s control and certainly not something that a person voluntarily takes on. This type of debt includes not only the services of a medical provider but charges for medications, ambulance services, and medical equipment. MLA clients have experienced massive medical bills that resulted from car accidents, workplace accidents, and simple bad luck. In addition, while the number of insured citizens has grown in the last decade, a lot of Marylanders remain without health insurance or health coverage, and these debts can result from simply a lack of adequate insurance. Marylanders, especially low-income Marylanders, should not suffer the additional consequence of bad credit simply because of a medical bill that was beyond their control.

It is already difficult for MLA clients to obtain housing because the prospective landlords collect credit information on them. Preventing credit reporting agencies from reporting medical debts will assist low-income homeowners in qualifying for housing and for credit. Prospective landlords and other creditors will not be able to use a debt that was likely out of the control of the debtor as a factor in determining approval for credit and housing.

A few weeks ago, HB 1020 was likely unnecessary, as the Consumer Financial Protection Bureau proposed a rule that would have banned medical debt from being credit reported nationwide<sup>2</sup>. Unfortunately, that regulation has now been put on hold on the federal level. Therefore, Maryland should now pass this legislation to protect its citizens from medical debts reporting that is beyond their control and results in a lowered credit score.

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<sup>2</sup> <https://www.npr.org/sections/shots-health-news/2025/01/07/nx-s1-5251282/medical-debt-credit-score-cfpb-rule>.

This bill prevents medical debts from being reported on credit reports for Marylanders. MLA strongly supports HB 1020. If you need additional information in regard to this bill, please contact William Steinwedel at [wsteinwedel@mdlaboratory.org](mailto:wsteinwedel@mdlaboratory.org) and (410) 951-7643.