



SB 31 - Commercial Law - Attachment of Wages - Exemptions (Exempt Income Protection Act)

Committee: Senate Finance Committee

Date: January 30, 2025

Position: Favorable with Amendments

The Maryland Bankers Association (MBA) **SUPPORTS SB 31 WITH AMENDMENTS** that limit a judgment debtor's household size to ONE in 15-601.1(b)(ii). Without this amendment, MBA has concerns that tying the exemption to the U.S. Department of Health and Human Services' Federal Poverty Level will significantly increase the level of exemptions, therefore forcing creditors to reevaluate the circumstances in which credit is issued.

Extending credit requires balancing the borrower's desire to use a lender's funds with the lender's need to recover those funds. If a lender's ability to recover debts is weakened, it becomes more unfeasible for them to extend credit. The proposed exemption increases in SB 31 will complicate lending decisions and could ultimately reduce credit offerings to Marylanders. An amendment that restricts consideration of household size will give creditors more assurance that they will be able to recoup funds should a debtor default on their loans.

Accordingly, MBA strongly urges the issuance of a **FAVORABLE** report on SB 31 **WITH AMENDMENTS**.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding more than \$194 billion in deposits in almost 1,200 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.