



**HEARING DATE:** March 3, 2026

**BILL NO/TITLE:** HB1298: Third-Party Litigation Financing - Licensing and Regulation

**COMMITTEE:** House Economic Matters Committee

**POSITION:** **Support**

Maryland Motor Truck Association offers its support for HB1298, which would require licensure and disclosure of third-party companies funding lawsuits.

HB1298 does not stop litigation financing; however, it adds transparency and provides a layer of consumer protection from these companies that buy a stake in a lawsuit by lending to plaintiffs — often at excessive interest rates — in exchange for a return from the lawsuit proceeds.

Without the remedies proposed in HB1298, judges, defendants, and even plaintiffs (particularly in class actions) often do not know that a hidden third party has a stake in—and an expectation to profit from—the case in front of them. According to the U.S. Chamber of Commerce, among the risks of third-party litigation financing are:

1. Funders often exercise significant control over litigation as opposed to being passive investors.
2. There are growing concern that a large volume of foreign money may be pouring into United States funding civil litigation against U.S. companies and industries.
3. Significant portions of settlements and judgments being siphoned off by funders, leaving actual claimants with greatly reduced recoveries.

This common-sense measure will bring lawsuit lenders out from the shadows and make the fact finders aware that a disinterested third party has a financial stake in any verdict. MMTA believes that third-party litigation disincentivizes reasonable civil litigation settlements, and pressures plaintiffs to seek outsized verdicts to provide investment returns for lenders.

For the reasons noted above, Maryland Motor Truck Association asks for a favorable report.

**About Maryland Motor Truck Association:** Maryland Motor Truck Association is a non-profit trade association that has represented the trucking industry since 1935. In service to its 900 members, MMTA is committed to support, advocate and educate for a safe, efficient and profitable trucking industry in Maryland.

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