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February 11, 2026

To: The Honorable Kriselda Valderrama, Chair  
Economic Matters Committee

From: The Consumer Protection Commission of Maryland

Re: **House Bill 433 - Business Regulation – Collection Agencies - License Exemption for Property Managers**

**Position: OPPOSE (UNFAVORABLE)**

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To the Honorable Chair, Vice-Chair, and Members of the Economic Matters Committee:

**The Consumer Protection Commission of Maryland (the “Commission”)** opposes **House Bill 433**. House Bill 433 unnecessarily and dangerously exempts property managers from the Maryland Collection Agency Licensing Act (“MCALA”) at the risk of harming Maryland consumers and limiting appropriate State enforcement authority. The Commission is an advisory body to the Consumer Protection Division (“Division”), with nine members appointed by the Governor representing consumers, businesses and the public.

Renters make up roughly one-third of all households in Maryland, yet *Maryland property managers are not required to hold any license regulated by a State agency other than the requirement that they have a debt collection agency license*. Landlord-tenant complaints are consistently among the top complaints received each year by the Consumer Protection Division of the Office of the Attorney General, including complaints from tenants facing unlawful demands for payment of rent, fees, and other charges. If not for the MCALA debt collection licensing process, Maryland would have no tool available to ensure that rent collectors in Maryland have provided at least one State agency with basic identifying information about themselves and their practices before they are entitled to engage in debt collection activities, and there would be very little mechanism in place for tenants to complain and seek accountability for improper debt collection activities.

Enforcement of consumer protection laws in connection with rental property management is critically important for the protection of Maryland renters. The MCALA licensing requirements create two important points of accountability and consumer protection. At the front end, the MCALA licensing requirement requires that those seeking to collect money from Marylanders have provided the Collection Agency Licensing Board with basic information about themselves (personal information if an individual, and corporate information if a company); information about who is in control, and basic information about their policies. This information provided before a license is awarded ensures that those seeking to collect Marylanders' money meet a minimum level of suitability. Then, at the back end, if an individual or entity that holds a collection agency engages in practices that violate Maryland's debt collection laws, the potential suspension or revocation of the license can have a powerful deterrent effect to thwart future violations. House Bill 433's attempt to exempt property managers from MCALA would leave consumers vulnerable to unsuitable collectors, at the front end, and then limit their avenues for complaint and accountability at the back end by limiting the actions the Division is able to bring against unscrupulous property managers.

Since 1980, the official Maryland Attorney General interpretation of MCALA has consistently been that rent collectors, including property managers, must be licensed as collection agencies. The MCALA defines a "collection agency" to include "a person who engages directly or indirectly in the business of . . . collecting for, or soliciting from, another a consumer claim." Md. Code Ann. Bus. Reg. ("BR") § 7-101(d)(1)(i), and it requires a person acting as a collection agency to possess a license. *Id.* § 7-301.

It is our opinion that all rent collectors must be licensed a collection agencies if: (1) they are engaged in the business of collecting or attempting to collect for others rents owed or claimed to be owe to those others by Maryland residents for leasehold interests acquired for personal, family, or household purposes: and (2) they do not fall within one of the specific exclusions contained in the law.

65 Op. Att'y 316 (1980) and subsequent interpretation. There simply is no legitimate reason or need now to exclude property managers, who are clear rent collectors, from their over 45-year obligation to obtain a license or seek other exemption.

Finally, while there are limited exemptions to the debt collection agency license requirement for lawyers (in some circumstances) and real estate brokers, those entities are regulated by other agencies and boards. Real estate brokers are regulated by the Real Estate Commission. Likewise, attorneys are overseen by the Attorney Grievance Commission. As such, exempted individuals and businesses from MCALA have additional oversight to ensure compliance with Maryland laws, and avenues for accountability. In contrast, as stated above, Maryland property managers are not required to hold any other license regulated by a State agency. There is also a "common ownership" exemption that may allow property management companies an exemption under certain documented circumstances. However, if all property managers were exempt from MCALA, property managers collecting rent for others would operate in a regulatory black hole because there is no other licensing entity in Maryland for this profession.

House Bill 433 risks great harm to Maryland consumers. As such, the Maryland Consumer Protection Commission requests **the Economic Matters Committee issue an UNFAVORABLE report on House Bill 433.**