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HOUSE ECONOMIC MATTERS COMMITTEE  
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE  
IN OPPOSITION TO HOUSE BILL 0433: BUSINESS REGULATION –  
COLLECTION AGENCIES – LICENSURE EXEMPTION FOR  
PROPERTY MANAGERS  
WEDNESDAY, FEBRUARY 11, 2026

Chair Valderrama, Vice Chair Charkoudian, and distinguished members of the Committee,

Thank you for the opportunity to testify in opposition to House Bill 433.

My name is Courtland Merkel, and I am a Consumer and Housing Staff Attorney at Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS’ founding in 1981, our statewide panel of over 700 volunteers has provided free legal services to more than 115,000 Marylanders in a wide range of civil legal matters.

MVLS assists Marylanders facing debt in several ways, including a weekly courthouse clinic in Baltimore City, as well as representing Marylanders statewide in bankruptcy and other debt collection matters. Since 1999, we have assisted over 14,500 Marylanders with consumer debt issues, and in an average year, we assist more than 400 people facing debt collection at our courthouse clinic in Baltimore City. For the reasons explained below, we respectfully request an unfavorable report on House Bill 433.

As drafted, House Bill 433 would create a special exemption for property managers from Maryland’s debt collector licensing requirements without substantial justification. Exempting property managers from debt collector licensing will embolden bad actors to engage in more deceptive, abusive, and harassing debt collection tactics.

House Bill 433 would directly harm Marylanders like Ms. S, a client from MVLS’ weekly court clinics. Like many Marylanders, she is trying to manage multiple debts while also attempting to reach out to her property manager to set up a payment plan. Ms. S came to our clinic because she was being sued by her property manager. Since leaving her apartment, Ms. S had continuously tried to pay her debt and even had one payment accepted. However, her property manager failed to respond to her requests for a payment plan. She reached out for months by phone, email, and mail, but was ignored until her property manager filed a lawsuit against her in district court. Through our

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clinic, an attorney was able to contact the property manager’s counsel and set up a payment plan.

The only meaningful way for renters like Ms. S to hold predatory property managers accountable is to file a complaint with the Maryland Department of Labor, Licensing & Regulation (DLLR). If HB 433 passes, this accountability measure will disappear. Property managers would no longer need to be licensed, and DLLR would no longer have jurisdiction over complaints.

There is no separate licensing regime for property managers, only the current debt collector licensing requirement. Unlike barbers, contractors, lawyers, and virtually every other profession, there is no licensing regime for property managers. Some local jurisdictions have residential rental property licensing programs, but these are primarily designed to ensure rental properties are habitable, have valid lead certificates, and provide a contact person to the locality. Most local rental licensing regimes offer no relief for tenants who experience deceptive, harassing, or predatory practices from property managers. Only DLLR’s complaint process fills this essential accountability role and provides relief to renting families.

MVLS has been fighting to level the playing field for low-income Marylanders for decades. For these reasons, MVLS opposes House Bill 433 and urges an unfavorable report. This bill would remove accountability for abusive property managers and incentivize them to increase deceptive and abusive debt collection tactics. The bottom line is that House Bill 433 would make Maryland’s renting families less safe and secure in their homes.

Chair and members of the Committee, thank you again for the opportunity to testify.