



## MARYLAND MILITARY COALITION

*Serving Veterans through Legislative Advocacy*

February 27, 2026

The Honorable Kriselda Valderrama  
Chair, Economic Matters Committee  
230 Taylor House Office Building  
Annapolis, MD 21401

Subject: Request for **FAVORABLE Report** – HB0977 – Veterans Benefits Matters – Claim Servicers – Requirements

Dear Chair Valderrama and distinguished members of the Economic Matters Committee,

On behalf of the members of the Maryland Military Coalition<sup>1</sup> (MMC), I write to request a **FAVORABLE Report** by the Committee on **HB0977 – Veterans Benefits Matters – Claim Servicers – Requirements**, sponsored by Delegate Nick Allen. This bill would require those who are unaccredited by the U.S. Department of Veterans Affairs, and who are seeking compensation for certain services related to veterans benefits matters, to enter into a written agreement with the veteran that complies with certain federal regulations. It would require a written agreement to disclose to the veteran certain terms and information and be provided to the veteran orally and acknowledged by both in writing. Further, if those federal regulations pertaining to veterans benefits matters are violated by unaccredited individuals in the delivery of veterans benefits matters, such violation(s) would be an unfair, abusive, or deceptive trade practice under Maryland Commercial Law, resulting in monetary civil penalties and a one-year ban from offering services relating to veterans benefits matters in Maryland.

Until 2006, there were criminal penalties for unaccredited companies or individuals that took fees from veterans for veterans benefits matters. That year, however, the penalties disappeared in an update to federal law even though federal law continues to prohibit the charging of veterans for help in applying for compensation for wartime injuries. In 2024, the Washington Post found as many as 100 unaccredited, for-profit companies “making hundreds of millions of dollars.”<sup>2</sup> **Many of these firms charge veterans more than ten times what they might pay for help on their taxes. Some bill veterans a one-time fee that is five times their disability rate increase, which can be upwards of \$20,000.**<sup>3</sup> While government lawyers have sent these companies numerous notices to cease and desist, the companies argue that the law does not expressly forbid their services. In addition, bills have been filed in the current and past two Congresses to restore criminal penalties but have not moved beyond the committee level. Absent federal action, state legislatures have had to enact laws to ban or tightly regulate these unaccredited companies and individuals.

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<sup>1</sup> See attached list of member organizations.

<sup>2</sup> <https://www.washingtonpost.com/politics/2024/05/23/va-benefits-for-profit-companies-pact-act/>

<sup>3</sup> <https://thewarhorse.org/veterans-affairs-claim-benefit-company-letters/>

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With the introduction of HB0977, Maryland can become one of those states and tightly regulate claim servicers that are operating in the state. The strengths of this bill are the requirements to:

- **Adhere to all criteria specified in 38 C.F.R. § 14.636**, most notably, compensation as required by the regulation;
- **Clearly disclose, orally and in writing**, among other items that the business is not sponsored or affiliated to either the U.S. Department of Veterans Affairs or the Maryland Department of Veterans and Military Families; that other described organizations may be able to provide veterans benefits matters free of charge; and that the veteran may qualify for other veterans benefits matters beyond those for which he is receiving services from that company;
- **Have both parties sign the written disclosure notice** and have the business retain a copy of the notice while providing services for compensation and for at least one year after the services terminate; and
- **Provide the address, phone number, and contact information of the nearest Veterans Service Office to the veteran's home of record.**

In addition, **HB0977 has an enforcement mechanism**, as noted above, that holds these companies accountable, an aspect that is currently missing in federal law. Violations of 38 C.F.R. § 14.636 would be punishable under Maryland's Commercial Law Article.

The Maryland Military Coalition **strongly supports HB0977** and asks for a **FAVORABLE** report from the Economic Matters Committee. It is time for our state to take the necessary steps to protect our veterans and tightly regulate these unaccredited companies in accordance with federal law.

The Maryland Military Coalition is a registered non-profit, non-partisan advocacy organization comprised of prominent Maryland-based veteran and military groups. It represents over 150,000 service-connected individuals, including those currently serving, veterans, retirees and their families, caregivers and survivors. For further information, visit our website at <https://mdmilcoalition.org/>.

We want to thank Delegate Allen for sponsoring this legislation and supporting the veterans and uniformed services community in Maryland.

Respectfully,



David L. Dragics  
COL (Ret), U.S. Army  
Legislative Director



## **Member Organizations of the Maryland Military Coalition**

Air Force Sergeants Association

American Military Society

American Minority Veterans Research Project

Association of the United States Navy

Commissioned Officers Association of the U.S. Public Health Service

Disabled American Veterans

Fleet Reserve Association of Annapolis

Jewish War Veterans of the U.S.A

Maryland Air National Guard Retirees' Association

National Active and Retired Federal Employees, Maryland Veterans

Maryland Veterans Chamber of Commerce

Military Officers Association of America

Military Order of the Purple Heart

Military Order of the World Wars

Montford Point Marines of America

National Association of Black Veterans

National Active and Retired Federal Employees, Maryland Veterans

Naval Enlisted Reserve Association

NOAA Association of Commissioned Officers

Reserve Organization of America

Society of Military Widows

Veterans of Foreign Wars