

HB 433 - Business Regulation – Collection Agencies – Licensure Exemption for Property Managers

Hearing before the House Economic Matters Committee, Feb. 11, 2026

Position: UNFAVORABLE (UNF)

Chair Valderrama, Vice Chair Charkoudian and Committee Members:

Disability Rights Maryland (DRM) is the federally designated Protection and Advocacy agency in Maryland, mandated to advance the civil rights of people with disabilities. DRM works to increase opportunities for Marylanders with disabilities to be part of their communities and live in safe, affordable, and accessible housing.

DRM opposes HB 433 and urges the House Economic Matters Committee to issue an **unfavorable report**.

Maryland’s Office of Financial Regulation requires that a person who engages directly or indirectly in the business of collecting for, or soliciting from another, a consumer claim must:

- 1) Submit an application with detailed information about the agency’s business structure, ownership and prior legal or regulatory issues.
- 2) Have sufficient training in federal and state debt collection laws, with an emphasis on Maryland law.
- 3) Undergo a background check including a review of the agency’s principals’ criminal history.
- 4) Provide a surety bond as a financial guarantee for compliance.
- 5) Maintain detailed records of collection activities to show compliance with Maryland and federal debt collection laws.

See [Collection Agencies - Industry - Office of Financial Regulation](#)

Additionally, the Maryland Commission of Financial Regulation evaluates financial responsibility, character and general fitness to ensure only ethical and financially stable agencies are licensed.

Accordingly, the purpose of licensure is to ensure that debt collectors are educated about their obligations under the law, and that they act ethically and transparently as they undertake debt collection activities. It is also important to have a procedure whereby debt collectors can be held accountable if they do not comply with their obligations.

Collecting rent and maintaining ledgers is central to a property manager’s role. Yet, they are often untrained in accounting practices resulting in ledgers with miscalculations, rent adjustments, and lack of clarity. If the tenant doesn’t pay what the property manager demands is due, the “ledger maintainer” becomes the debt collector – at times attempting to collect through the summary ejection process charges and fees that are not rent or attempting to collect rent that the tenant has already paid. These Property managers are engaged in the business of collecting a consumer claim. There is no reason or justification to exempt them from Maryland’s debt collector licensing requirement as HB 433 proposes to do.

Whether property managers must be licensed as debt collectors is currently on appeal before Maryland’s Appellate Court in *Smith v. Buzzuto Management Company*, Case No. ACM-REG-2264-2025. While we

appreciate the sponsor's intent to have a uniform standard, we understand from DLLR that property managers are already able to become licensed, yet many choose not to do so. This issue will be fully briefed by both sides providing comprehensive information to the Court. **Thus, the Committee should wait for the outcome of *Smith v. Buzzuto* before acting further.**

Considering the housing crisis, especially for low-income families, tenants are already at a disadvantage when dealing with difficult property managers. The only meaningful way for most renters to hold property managers accountable is to [file a complaint with the Dept. of Labor, Licensing & Regulation \(DLLR\)](#).¹ If HB 433 becomes law, this one accountability measure will disappear. Property managers will no longer need to be licensed, and DLLR will no longer have jurisdiction over a complaint. **HB 433 will make Maryland's renting families less safe and secure in their homes.**

Moreover, there is no separate licensing regime for property managers – only the current debt collector licensing requirement. Unlike barbers, contractors, lawyers, and virtually any other profession, there is no licensing regime for property managers. There is no relief under most local rental licensing regimes for tenants whose property managers engage in debt collection practices that violate Maryland or federal consumer protection or debt collection laws. Only DLLR's complaint process fills this essential accountability role for property managers and can provide relief to families who rent their homes.

It is important to note that small landlords are already effectively exempt. If you own a property and manage the property yourself, you do NOT need to become licensed as a debt collector.

For these reasons, we urge an **unfavorable** report on HB 433.

Thank you for your consideration. Please contact me with any questions regarding my testimony.

Sincerely,

/s/ Leslie Dickinson

Leslie Dickinson
Managing Attorney
Disability Rights Maryland
(443) 692-2488
LeslieD@Disabilityrightsmd.org

¹ Note that most of the attorneys working under the Access to Counsel statute are limited to same day representation and do not have the capacity to represent tenants in proceedings involving violation of consumer protection and debt collection statutes.