

SB0317 Testimony_Ashley Burns.pdf

Uploaded by: Ashley Burns

Position: FAV

Greetings Honorable Finance Committee Senators,

My name is Ashley Burns, and I am a currently serving active duty in the uniformed services here in Maryland as a Public Health Service commissioned officer. I am providing testimony today on my own personal time to support SB0317, which was introduced to regulate credit for uniformed service members. First, I want to disclose my testimony represents my own personal view as a citizen and not representing the view of any organization including the federal government and its eight uniformed service branches.

The Servicemembers Civil Relief Act currently caps pre-service debt to 6%. The Military Lending Act caps interest on new debt to 36%, and it does not apply to all types of debt. In my opinion, neither go far enough to provide financial security to our uniformed service members. Debt incurred while on active duty can be just as difficult, if not more so, to pay down as pre-existing debt can be. Therefore, it never made sense to me that interest rates should be capped to 6%, and at a 36% cap, the Military Lending Act does too little to meaningfully restrict interest rates that can be charged to a uniformed service member serving on active duty.

Military life can lead to more debt than for the average person since service members tend to leave their homes and support systems at an earlier age, have less of a financial safety net early on in their careers, may be stationed in areas with a high cost of living, and experience frequent moves and deployments which can negatively impact spouse employment opportunities and earnings. The mental strain from excessive debt can affect one's job performance and impact mission readiness, and service members are already at risk of chronic anxiety, depression, and PTSD due to the very nature of their jobs. Besides health effects and relationship strains, the consequences of unmanaged debt can include losing security clearance, wage garnishment, poor performance evaluations, loss of promotion, engaging in unethical or illegal financial gain opportunities, and disciplinary actions. Poor debt management can also result in a low credit score. Consequently, this perpetuates the debt cycle and financial instability by raising subsequent borrowing costs, denying credit outright, and impacting adjustment to civilian life after leaving service.

In closing, although I have been fortunate enough to not have problems with unpaid debts, this is not the case for many uniformed service members. I hope you agree it is critical to protect those protecting us so they can focus on the mission. By extending the 6% interest cap afforded by the Service Members Civil Relief Act to debts incurred while on active duty as SB0317 intends to do, you can positively impact the financial foundation for uniformed service members. Thank you for your time today and thoughtful consideration.

Very respectfully,

Ashley Burns

SB317_BrooksB_F.pdf

Uploaded by: Benjamin Brooks

Position: FAV

BENJAMIN BROOKS
Legislative District 10
Baltimore County

Education, Energy, and the
Environment Committee
Energy Subcommittee

Chair, Joint Electric Universal
Service Program Workgroup



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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TESTIMONY IN SUPPORT OF SB 317
Credit Regulation – Maximum Interest Rate for Active Service Members
(Service Members Civil Relief Act)
Education, Energy and the Environment Committee
February 12, 2026

Chair Beidle, Vice Chair Hayes, and Members of the Committee:

Thank you for the opportunity to testify before you on SB 317, Credit Regulation – Maximum Interest Rate for Active Service Members (Service Members Civil Relief Act). SB 317 strengthens Maryland’s commitment to those who serve by broadening protections under the federal Servicemembers Civil Relief Act (SCRA). Currently, under SCRA, a 6% interest rate cap is afforded on all pre-service debts. This bill expands that benefit to include a 6% interest rate cap on eligible debt regardless of when the debt is acquired. SB 317 recognizes a simple reality: military service often begins abruptly, and service members should not face financial burdens while answering the call to duty.

SB 317 is not a novel or untested policy. States with large and enduring military footprints have already adopted similar expansions of SCRA-style protections. Ohio and Louisiana, both home to major active-duty installations and significant Guard and Reserve forces, have maintained broader interest rate caps on servicemember debt for approximately two decades. These policies have operated for many years without destabilizing credit markets and have provided predictable, clearly defined protections for servicemembers and lenders alike.

Maryland similarly has a high prevalence of servicemembers, veterans, and military families who balance civilian financial obligations with the sudden demands of active service. SB 317 aligns Maryland with these peer states by ensuring that those who serve receive meaningful financial support when they are called to duty, while adopting a policy that has already been tested and sustained in comparable states.

By offering reasonable and time-limited financial relief during periods of active service, while preserving the underlying obligation and repayment of debt, this bill strikes an appropriate balance between supporting those who serve and maintaining certainty for creditors.

At its core, SB 317 affirms that servicemembers should not face financial strain when fulfilling their military obligations. By adopting a policy that has already demonstrated durability and effectiveness in comparable states, Maryland can responsibly modernize its SCRA protections and better support the men and women who serve our state and nation.

For these reasons, I respectfully urge the Committee to issue a **favorable report** on SB 317.

With kindest regards,

A handwritten signature in cursive script that reads "Benjamin T. Brooks".

Benjamin Brooks

SB317_OnePager.pdf

Uploaded by: Benjamin Brooks

Position: FAV

Maryland Extension of Service Member Civil Relief Act Protections



Federal Servicemembers Civil Relief Act (SCRA)

Uniformed Services Benefits offered under the act:

- 6% interest rate caps on pre-service debts
- Ability to terminate certain
 - Vehicle leases
 - Residential leases
 - Mobile phone contracts
- Eviction Protections
- Foreclosure protections
- Repossession protection
- Court proceeding deferrals
- Insurance protection
- Income tax deferrals
- State income tax options



Maryland Extension of Servicemembers Civil Relief Act (SCRA) and Limits on Creditor Interest Rates

(Maryland Senate Bill 317)

Uniformed Services Benefits offered under the act:

- Extends the 6% interest rate cap for active duty servicemembers to debt secured at any time
- Refund of any interest paid over 6%

MMC SB0317 Written Testimony - Favorable.pdf

Uploaded by: Jayson Spiegel

Position: FAV



MARYLAND MILITARY COALITION

Serving Veterans through Legislative Advocacy

February 10, 2026

The Honorable Pam Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

Subject: Request for a **Favorable** Report – HB0317 – Credit Regulation – Maximum Interest Rate for Active Service Members (Service Members Civil Relief Act)

Dear Chair Beidle and Members of the Finance Committee

On behalf of the members of the Maryland Military Coalition (MMC), I write to recommend a **Favorable Report** by the Committee on **SB0317 – Credit Regulation – Maximum Interest Rate for Active Service Members (Service Members Civil Relief Act)** sponsored by Senator Brooks.

SB0317 would prohibit a lender from charging an annual interest rate above 6% per year on obligations held by an active service member or jointly by an active service member and the active service member's spouse.

As of December 31, 2024, there were 36,430 active-duty service members in Maryland as well as 25,978 combined National Guard and Reserve members.¹

SB0317 represents an important benefit to Maryland service members. The bill's protections will be particularly valuable to junior service members whose limited credit history may preclude obtaining credit at other than high market rates. The bill will also benefit service members who need credit but whose spouses cannot find employment. Spousal underemployment and unemployment is a critical challenge, with approximately 22% of uniformed services spouses enduring unemployment, a rate that has not changed for several years. A family with only one income, saddled with high interest rates, creates a significant strain on an already limited income.

Additionally, the bill provides a critical benefit to members of the Maryland National Guard and Reserve. Under the federal Servicemembers Civil Relief Act, when Guard or Reserve service members are ordered to active duty, interest rates on their loans are capped at 6% unless a court determines that military service does not impair the service member's ability to pay market rates. 50 U.S.C. §3937.² However, when Guard and Reserve personnel are released from active duty, their interest rates return to market rates, which may be unpredictable and unaffordable for those who sacrificed civilian incomes to serve our country in uniform. Permanently capping interest rate 6% provides those who serve our nation in uniform with financial certainty in times of economic dislocation and spiraling inflation.

¹ <https://statepolicy.militaryonesource.mil/state/MD>

² A discussion of the SSCRA can be found at <https://www.justice.gov/servicemembers/your-rights-servicemember-6-interest-rate-cap-servicemembers-pre-service-debts>

Subject: Request for **FAVORABLE Report** – HB0317 - Maximum Interest Rate for Active Service Members 3 (Service Members Civil Relief Act)

SB0317 is substantially identical to existing and successful statutes in Ohio ([Section 1343.031 - Ohio Revised Code | Ohio Laws](#)) and Louisiana ([Louisiana Laws - Louisiana State Legislature](#)) that have been in effect for two decades. In neither state have there been reports that service members have been denied credit because interest rates are capped at 6%.

SB0317 is not designed to benefit Generals, Admirals, and other high ranking officers who can afford to pay market interest rates on loans initiated while on active duty. The bill adopts provisions in the Ohio and Louisiana laws that creditors can seek judicial relief if the servicemember's ability to pay market interest rates is not materially affected by their military service.

The MMC **strongly supports** HB0317 - Credit Regulation – Maximum Interest Rate for Active Service Members (Service Members Civil Relief Act) and asks the Finance Committee for a **FAVORABLE report**.

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

We want to thank Senator Brooks for sponsoring this legislation and his continued support of the uniformed services community in Maryland.

Respectfully,



Jayson L. Spiegel
LTC, AUS (Ret)
President

Subject: Request for **FAVORABLE Report** – HB0317 - Maximum Interest Rate for Active Service Members 3 (Service Members Civil Relief Act)

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

Platoon 22

Reserve Organization of America

Society of Military Widows

Veterans of Foreign Wars

DVMF SB317 Support.pdf

Uploaded by: Morgan Murphy

Position: FAV



Maryland Department of Veterans and Military Families
Office of the Secretary

WES MOORE
GOVERNOR

ARUNA MILLER
LT. GOVERNOR

ED ROTHSTEIN
ACTING SECRETARY

**Senate Bill 317 - Credit Regulation - Maximum Interest Rate for Active Service Members
(Service Members Civil Relief Act)
SUPPORT**

February 12, 2026

The Honorable Pamela Beidle
Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

Dear Chair Beidle, Vice Chair Hayes, and Committee Members,

The Maryland Department of Veterans and Military Families (DVMF) is committed to leading veterans and their families through life's transitions, making Maryland the best state for military-connected communities. Our department supports Senate Bill 317 - Credit Regulation - Maximum Interest Rate for Active Service Members (Service Members Civil Relief Act).

Senate Bill 317 is crafted based on the federal Servicemembers Civil Relief Act, which provides legal and financial protections for active duty service members and their spouses to reduce the stress and financial burden of meeting obligations while being called to service. One of these protections is a 6% interest cap on *pre-service* debts. SB 317 takes this protection further by including a 6% interest rate cap on financial obligations while on active duty - *regardless if the obligation was incurred before or after they were activated*.

Military families, like all families, must live by strict budgets to thrive and achieve the American Dream. Keeping more of their income is essential to help them thrive, and keep them living here in Maryland. SB 317 goes some way toward making that goal possible. Thank you for your time, and I respectfully ask the committee for a favorable report.

Sincerely,

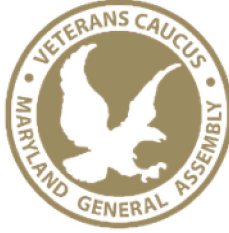
A handwritten signature in black ink that reads "Edward C. Rothstein". The signature is written in a cursive, flowing style.

Ed Rothstein
Acting Secretary

SB317_Veterans.pdf

Uploaded by: Veterans Caucus Maryland

Position: FAV



MARYLAND GENERAL ASSEMBLY
VETERANS CAUCUS

February 12, 2026

Senator Pamela Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

Re: SB317: Credit Regulation – Maximum Interest Rate for Active Service Members 3
(Service Members Civil Relief Act)

Dear Chairman Beidle,

Please let this letter serve as notice of the support of the Maryland General Assembly Veterans Caucus for Senate Bill 317.

After review by our respective legislative committee, the Veterans Caucus believes that the above-mentioned legislation would provide a valuable benefit to the veterans of the State of Maryland and requests a favorable report.

With kindest regards,

A handwritten signature in cursive script that reads "Benjamin T. Brooks".

Senator Benjamin Brooks
Senate Chair

A handwritten signature in cursive script that reads "Mike Rogers".

Delegate Mike Rogers
House Chair

SB0317 - MBA - FWA - GR26.pdf

Uploaded by: Evan Richards

Position: FWA



SB 317 - Credit Regulation - Maximum Interest Rate for Active Service Members (Service Members Civil Relief Act)

Committee: Senate Finance Committee

Date: February 12, 2026

Position: Favorable with Amendments

The Maryland Bankers Association (MBA) **SUPPORTS SB 317 WITH AMENDMENTS**. This legislation establishes a state-level Service Members Civil Relief Act, extending important interest rate relief for Marylanders during active duty. MBA fully supports ensuring that active-duty servicemembers receive meaningful financial relief during military service, but believes clarifying language is needed to ensure consistency with the federal Servicemembers Civil Relief Act (SCRA).

The federal SCRA provides broad protections for active-duty servicemembers by capping interest rates on certain debts at 6%, preventing eviction without a court order, allowing termination of leases, staying civil court proceedings, and offering safeguards against default judgments and other financial or legal hardships during military service. However, the 6% interest rate cap only applies to certain loans taken out before active duty begins, which are otherwise referred to as “pre-service debts.”

To ensure alignment with this long-standing federal framework, **MBA respectfully requests an amendment to SB 317’s definition of “obligation” so that it applies exclusively to debts incurred prior to the start of active duty**. This clarification will bring Maryland’s law into harmony with federal requirements, prevent confusion for both lenders and borrowers, and reduce the risk of conflicting obligations that could otherwise result in litigation, compliance issues, or unintended financial consequences.

Accordingly, MBA urges the issuance of a **FAVORABLE** report **WITH AMENDMENTS** on SB 317.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding \$194.8 billion in deposits in over 1,100 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.