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OUR PATIENTS. OUR UNION. OUR VOICE.

House Bill 0203 Labor and Employment - Training Repayment Agreements – Prohibition

Position: *Support*

February 5, 2026

Government, Labor, and Elections Committee

National Nurses Organizing Committee/National Nurses United, representing over 225,000 registered nurses nationwide, including nurses working at the bedside in Maryland, requests your support of House Bill 0203, which ends the predatory employer practice of using the threat of debt collection to lock workers into a job. HB 0203 would do so by prohibiting agreements that require workers to pay their employer a sum of money if the worker leaves their job.

Employers are increasingly charging workers for on-the-job-training, orientation, onboarding, or other costs, and leveraging this debt to lock workers into unfair or unsafe working conditions. Sometimes referred to as Training Repayment Agreement Provisions (TRAPs), employer-driven debt agreements, or stay-or-pay contracts, these unethical and predatory employment arrangements undermine nurses' job mobility and limit their bargaining power over unfair and unsafe working conditions. With the threat of having to pay back a debt or fee to their employer, TRAPs indenture nurses into unsafe or exploitative working conditions, chilling them from advocating for or seeking better wages or working conditions elsewhere. Effectively serving as an "exit fee", these contracts force workers to pay their employer for unavoidable fees or damages, which are often disguised as the costs of on-the-job training, if they leave their job before completing a minimum period of work.

Newly graduated nurses are a particular target of employer debt traps. In a 2022 survey of registered nurses, almost 40 percent of nurses who started their career in the past decade reported being subject to a TRAP for new graduate "residency" programs, charged for on-the-job training as a new graduate nurse.¹ Registered nurses enter the workforce with the education and license required to work as a registered nurse. Employers charging for TRAPs are not providing any sort of transferable credential. Rather, they are using training as an excuse to charge nurses for leaving their jobs.

Employers are using the threat of debt collection as an exploitative tool to trap workers into jobs, often with low wages and substandard working conditions. TRAPs can also silence whistleblowers and chill workers from acting collectively to improve working conditions. In healthcare workplaces, about a third of nurses who have been subject to a TRAP reported that they felt restrained from complaining about unsafe staffing or other unsafe or unfair working conditions.² For example, TRAPs locked many new graduate nurses into unsafe jobs during the height of the Covid-19 pandemic as hospital employers failed to provide

¹ Rachel Berger, "Caught in a TRAP," National Nurse Magazine (2022),

<https://nnumagazine.uberflip.com/i/1489186-national-nurse-magazine-october-november-december-2022/15>.

National Nurses United, Comments to the Consumer Financial Protection Bureau on Request for Information Regarding Employer Driven Debt, Docket No. CFPB-2022-0038, (September 23, 2022).

² National Nurse Magazine (2022).

appropriate respiratory protection and were severely understaffed.³ Employers also use debt to trap immigrant nurses in untenable conditions.⁴

Beyond the health care sector, stay-or-pay contracts are alarmingly prevalent throughout workplaces across the country. A 2024 study found that **1 in 12 workers in the U.S. are subject to a TRAP.**⁵ In 2023, the Consumer Financial Protection Bureau's comprehensive report on employer-driven debt included examples of TRAPs where workers were indebted to their employers between \$4,000 and \$30,000.⁶

HB 0203 is a much-needed protection for workers that would simply end employer debt TRAPs by clarifying that stay-or-pay contracts which lock workers into jobs through debt are prohibited under Maryland law.

Sincerely,



Brynne O'Neal

Regulatory Policy Specialist

National Nurses Organizing Committee/National Nurses United

³ See, e.g., Mark Betancourt, "Health Care Companies Are Using Debt to Trap Nurses on the Job," Mother Jones (2023). <https://www.motherjones.com/politics/2023/08/nurse-debt-trap-training-repayment-agreement/>.

⁴ Rachel Dempsey, Gillian Thomas, Ricardo Mimbela, "How "Stay-or-Pay" Contracts Are Used to Abuse Immigrant Workers," ACLU News and Commentary (2025), <https://www.aclu.org/news/womens-rights/how-stay-or-pay-contracts-are-used-to-abuse-immigrant-workers>.

⁵ J.J. Prescott, Stewart Schwab and Evan Starr, "First Evidence on the Use of Training Repayment Agreements in the U.S. Labor Force," Promarket (2024), <https://www.promarket.org/2024/03/27/first-evidence-on-the-use-of-training-repayment-agreements-in-the-us-labor-force/>.

⁶ See Consumer Financial Protection Bureau, "Consumer risks posed by employer-driven debt," CFPB Office for Consumer Populations (2023), <https://www.consumerfinance.gov/data-research/research-reports/issue-spotlight-consumer-risks-posed-by-employer-driven-debt/full-report/>.