



MEMO IN OPPOSITION (UNLESS AMENDED)
MARYLAND HB. 1198
An act concerning
Civil Actions – Coerced Debt – Debtor Protections
March 9, 2026

Thank you, Chairperson, and respected members of the Committee. My name is Donald Maurice, and I am outside counsel for the Receivables Management Association International (RMAI). RMAI is a trade association with over 600 members, composed of banks, non-bank lenders, debt purchasers, and companies that serve them. RMAI **opposes HB. 1198** as currently drafted, but can support the bill if amended.

RMAI is committed to the accuracy and integrity of consumer credit, and we support legislation to protect victims of economic abuse and coerced debt. However, HB. 1198 causes confusion for both consumers and industry.

HB. 1198 Will Harm Victims of Identity Theft and Coerced Debt

The bill would allow an FTC Identity Theft Report to trigger the application of consumer protections. We oppose this. It conflates identity theft with coerced debt. Coerced debt occurs when a person is subject to violence or the threat of violence or the exposure of a secret (blackmail). In these instances, the victim knows the bad actor. ¹

In most cases of identity theft, the US Department of Justice reports 95% of victims do not know the person who caused the harm.² Our members have compliance policies and procedures that address this typical type of identity theft, which occurs without coercion. In fact, a bill in this session, HB. 1471, addressing identity theft, uses the same trigger document: an FTC Identity Theft Report. This confuses both consumers and the credit industry. The same documents cannot be evidence of both identity theft and coerced debt. If consumers are

¹ Angela Littwin, *Escaping Battered Credit: A Proposal for Repairing Credit Reports Damaged by Domestic Violence*, 161 U. Pa. L. Rev. 363, 365 (Jan. 2013).

² <https://bjs.ojp.gov/document/vit21.pdf>, archived at <https://perma.cc/9SFP-E3HT>.



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entitled to protection, our members need clarity when those protections are triggered and what they must do in response.

Finally, the definition of coerced debt should align with existing Maryland law.

A redline is attached. We are ready to work with the sponsors and all stakeholders.

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If you have questions or if we can be of any assistance. You may contact RMAI's outside counsel, Donald Maurice at dmaurice@mauricewutscher.com or 908-237-4570.

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HOUSE BILL 1198

D3, D4

6lr1256

By: **Delegates Lopez, Charkoudian, Embry, and Shetty**
Introduced and read first time: February 11, 2026
Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Civil Actions – Coerced Debt – Debtor Protections**

3 FOR the purpose of providing that a debtor may provide certain notice to a creditor and
4 request that the creditor cease debt collection activity relating to a coerced debt;
5 authorizing a debtor, after providing a creditor with certain notice, to bring an action
6 against the creditor seeking certain relief; authorizing a debtor to bring a certain
7 action against a certain individual; establishing a certain affirmative defense; and
8 generally relating to coerced debt.

9 BY adding to

10 Article – Courts and Judicial Proceedings
11 Section 3–2701 through 3–2707 to be under the new subtitle “Subtitle 27. Coerced
12 Debt – Debtor Protections”
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2025 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Courts and Judicial Proceedings**

18 **SUBTITLE 27. COERCED DEBT – DEBTOR PROTECTIONS.**

19 **3–2701.**

20 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
21 INDICATED.

22 (B) (1) “ADEQUATE DOCUMENTATION” MEANS A WRITING THAT:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.

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(I) IDENTIFIES A DEBT AS A COERCED DEBT; AND

(II) DESCRIBES THE CIRCUMSTANCES UNDER WHICH THE COERCED DEBT WAS INCURRED.

(2) "ADEQUATE DOCUMENTATION" INCLUDES:

(I) A POLICE REPORT;

(II) ~~A FEDERAL TRADE COMMISSION IDENTITY THEFT REPORT;~~

(III) AN ORDER FROM A COURT OF COMPETENT JURISDICTION FINDING THE DEBT TO BE A COERCED DEBT; AND

(IV) A SWORN, WRITTEN CERTIFICATION FROM A QUALIFIED THIRD PARTY TO WHICH THE DEBTOR REPORTED THE CIRCUMSTANCES GIVING RISE TO THE COERCED DEBT.

(C) (1) "COERCED DEBT" MEANS ALL OR A PART OF A DEBT IN THE DEBTOR'S NAME INCURRED AS A RESULT OF ~~THREATS OR FORCE, OR GRANTED ONLY IN SUBMISSION TO A CLAIM OF LAWFUL AUTHORITY FRAUD, DURESS, INTIMIDATION, THREAT, FORCE, COERCION, MANIPULATION, UNDUE INFLUENCE, MISINFORMATION, OR THE NONCONSENSUAL USE OF THE DEBTOR'S PERSONAL IDENTIFYING INFORMATION,~~ THAT OCCURS WITHIN THE CONTEXT OF:

(I) ABUSE, AS DEFINED IN § 4-501 OF THE FAMILY LAW ARTICLE;

(II) EXPLOITATION OF CHILDREN IN AN OUT-OF-HOME PLACEMENT, AS DEFINED IN § 5-501 OF THE FAMILY LAW ARTICLE;

(III) FINANCIAL EXPLOITATION, AS DEFINED IN § 13-601 OF THE ESTATES AND TRUSTS ARTICLE;

(IV) HARASSMENT UNDER § 3-803 OF THE CRIMINAL LAW ARTICLE;

(V) HUMAN TRAFFICKING UNDER TITLE 3, SUBTITLE 11 OF THE CRIMINAL LAW ARTICLE; OR

(VI) LABOR TRAFFICKING UNDER § 3-1202 OF THE CRIMINAL LAW ARTICLE.

Commented [DM1]: FTC ID Theft Report is too restrictive and may not include the facts of coercive conduct.

Suggested replacement:
a copy of a report filed with a federal, state, or local law enforcement agency that identifies the coerced debt and the circumstances under which the coerced debt was incurred, the filing of which subjects the person filing the report to criminal penalties for filing false information if, in fact, the information in the report is false;

Commented [DM2]: We suggest this aligns with Maryland's definition:

threats or force, or granted only in submission to a claim of lawful authority

[Gamble v. State, 318 Md. 120, 123, 567 A.2d 95, 97 \(1989\)](#)

1 **(2) “COERCED DEBT” DOES NOT INCLUDE A DEBT SECURED BY REAL**
2 **PROPERTY.**

3 **(D) “CONSUMER REPORTING AGENCY” HAS THE MEANING STATED IN §**
4 **14-1201 OF THE COMMERCIAL LAW ARTICLE.**

5 **(E) “CREDITOR” MEANS A PERSON, OR THE PERSON’S SUCCESSOR,**
6 **ASSIGNEE, OR AGENT, CLAIMING TO OWN OR HAVE THE RIGHT TO COLLECT A DEBT**
7 **OWED BY THE DEBTOR.**

8 **(F) “DEBTOR” MEANS AN INDIVIDUAL WHO OWES A DEBT.**

9 **(G) “QUALIFIED THIRD PARTY” MEANS:**

10 **(1) A LAW ENFORCEMENT OFFICER;**

11 **(2) A LICENSED HEALTH CARE PROVIDER;**

12 **(3) A LICENSED MENTAL HEALTH CARE PROVIDER;**

13 **(4) A LICENSED SOCIAL WORKER;**

14 **(5) A LICENSED CLINICAL MARRIAGE AND FAMILY THERAPIST; OR**

15 **(6) AN EMPLOYEE OF A DOMESTIC VIOLENCE PROGRAM THAT**
16 **RECEIVES FUNDING FROM THE GOVERNOR’S OFFICE OF CRIME PREVENTION AND**
17 **POLICY.**

18 **3-2702.**

19 **(A) (1) BEFORE FILING A CIVIL ACTION UNDER § 3-2703 OF THIS**
20 **SUBTITLE, A DEBTOR SHALL NOTIFY A CREDITOR THAT A DEBT ON WHICH THE**
21 **CREDITOR DEMANDS PAYMENT IS COERCED DEBT AND REQUEST THAT THE**
22 **CREDITOR CEASE ALL DEBT COLLECTION ACTIVITY ON THE COERCED DEBT.**

23 **(2) NOTICE PROVIDED UNDER THIS SUBSECTION SHALL:**

24 **(I) BE IN WRITING;**

25 **(II) INCLUDE ADEQUATE DOCUMENTATION; AND**

26 **(III) BE SUBMITTED;**

- 1 1. BY **CERTIFIED MAIL**;
- 2 ~~2. BY E-MAIL;~~
- 3 ~~3. BY FAX; OR~~
- 4 4. **AS MADE AVAILABLE BY THE CREDITOR UNDER (3)**
~~BELOW ONLINE OR THROUGH OTHER ELECTRONIC MEANS.~~

5 (3) A CREDITOR SHALL MAKE INFORMATION ON HOW A DEBTOR CAN
6 SUBMIT A NOTICE UNDER THIS SECTION PUBLICLY AVAILABLE ONLINE AND ON
7 REQUEST VIA ANY PUBLICLY AVAILABLE METHOD OF COMMUNICATION.

8 (4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF
9 THIS PARAGRAPH, NOTICE SUBMITTED BY A DEBTOR IS CONSIDERED RECEIVED THE
10 SAME DAY THE DEBTOR SUBMITS THE NOTICE.

11 (II) NOTICE SUBMITTED BY MAIL IS CONSIDERED RECEIVED 3
12 DAYS AFTER THE NOTICE WAS POSTMARKED.

13 (III) NOTICE SUBMITTED WITHOUT ADEQUATE
14 DOCUMENTATION IS CONSIDERED RECEIVED THE DAY THAT THE ADEQUATE
15 DOCUMENTATION IS PROVIDED TO THE CREDITOR.

16 (B) (1) ~~WITHIN 14 DAYS ON~~ RECEIPT OF NOTICE PROVIDED UNDER
SUBSECTION (A) OF THIS SECTION, A CREDITOR SHALL:

17 (I) PROVIDE THE DEBTOR WITH WRITTEN CONFIRMATION
18 THAT THE CREDITOR HAS RECEIVED THE NOTICE, INCLUDING IDENTIFICATION OF
19 THE DATE THE NOTICE WAS CONSIDERED RECEIVED UNDER SUBSECTION (A)(4) OF
20 THIS SECTION;

21 (II) INFORM THE DEBTOR OF ANY MISSING DOCUMENTATION
22 REQUIRED TO REVIEW THE NOTICE, IF APPLICABLE; AND

24 (III) INFORM A CONSUMER REPORTING AGENCY THAT THE
COERCED DEBT IS DISPUTED.

25 (2) WITHIN 30 DAYS AFTER RECEIVING NOTICE UNDER SUBSECTION
26 (A) OF THIS SECTION, A CREDITOR SHALL PROVIDE WRITTEN NOTICE TO THE
27 DEBTOR OF THE CREDITOR'S DECISION TO CONTINUE OR CEASE DEBT COLLECTION
28 ACTIVITY RELATING TO THE COERCED DEBT.

1 (3) A NOTICE UNDER PARAGRAPH (2) OF THIS SUBSECTION OF A
2 CREDITOR'S DECISION TO RESUME DEBT COLLECTION **OF THE COERCED DEBT**
3 SHALL STATE THE DATE ON WHICH THE CREDITOR WILL RESUME DEBT
4 COLLECTION ACTIVITY **ON THE COERCED DEBT**, WHICH MAY BE
5 NOT EARLIER THAN 40 DAYS AFTER THE CREDITOR RECEIVED NOTICE UNDER
6 SUBSECTION (A) OF THIS SECTION.

7 (4) FOLLOWING NOTICE UNDER PARAGRAPH (2) OF THIS
8 SUBSECTION OF A DECISION TO CEASE DEBT COLLECTION ACTIVITY **OF THE**
9 **COERCED DEBT**, A CREDITOR:

10 (i) SHALL:

11 1. CEASE ALL DEBT COLLECTION ACTIVITY **OF THE**
12 **COERCED DEBT**, INCLUDING wage garnishment;

13 2. REPORT TO A CONSUMER REPORTING AGENCY THE
14 DELETION OF THE COERCED DEBT; AND

15 3. MOVE TO DISMISS ANY ACTION IN A COURT TO
16 ENFORCE COLLECTION ACTIVITY ON THE COERCED DEBT; AND

17 (ii) MAY RESUME DEBT COLLECTION ACTIVITY ON THE
18 COERCED DEBT ONLY AFTER PROVIDING WRITTEN NOTICE TO THE DEBTOR AT
19 LEAST 10 DAYS BEFORE RESUMING DEBT COLLECTION ACTIVITY.

20 (c) A CREDITOR MAY SELL OR ASSIGN TO ANOTHER PARTY A DEBT THAT A
21 DEBTOR HAS ASSERTED IS COERCED DEBT IF THE CREDITOR SELLING OR ASSIGNING
22 THE DEBT NOTIFIES THE BUYER OR ASSIGNEE THAT THE DEBTOR HAS ASSERTED
23 THE DEBT IS COERCED DEBT.

24 (d) A CREDITOR CEASING DEBT COLLECTION ACTIVITY ON A DEBT THAT A
25 DEBTOR HAS ASSERTED IS A COERCED DEBT DOES NOT CREATE A PRESUMPTION
26 REGARDING THE VALIDITY OR INVALIDITY OF THE DEBT FOR WHICH THE DEBTOR
27 MAY BE LIABLE.

28 (e) A DEBTOR MAY NOT FILE AN ACTION UNDER § 3-2703 OF THIS SUBTITLE
29 EARLIER THAN 30 DAYS AFTER PROVIDING A CREDITOR WITH NOTICE IN
30 ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

31 3-2703.

 (A) A DEBTOR ALLEGING A DEBT IS COERCED DEBT MAY SEEK EQUITABLE
RELIEF IN A COURT OF COMPETENT JURISDICTION, INCLUDING:

1 (1) A DECLARATORY JUDGMENT THAT A DEBT IS A COERCED DEBT;

2 (2) AN INJUNCTION PROHIBITING A CREDITOR FROM:

3 (I) HOLDING THE DEBTOR LIABLE FOR THE COERCED DEBT;

4 (II) ENFORCING A JUDGMENT RELATED TO THE COERCED
5 DEBT; OR

6 (III) REPORTING THE COERCED DEBT TO A CONSUMER
7 REPORTING AGENCY;

8 (3) AN ORDER DISMISSING WITH PREJUDICE ANY CAUSE OF ACTION
9 BROUGHT BY A CREDITOR TO ENFORCE OR COLLECT THE COERCED DEBT FROM THE
10 DEBTOR; AND

11 (4) AN ORDER REQUIRING A CREDITOR TO REPORT TO A CONSUMER
12 REPORTING AGENCY THE DELETION OF THE COERCED DEBT.

13 (B) A DEBTOR MAY FILE A PETITION UNDER THIS SECTION NOT EARLIER
14 THAN 30 DAYS AFTER A CREDITOR HAS RECEIVED NOTICE UNDER § 3-2702 OF THIS
15 SUBTITLE.

16 (C) (1) A PETITION FOR EQUITABLE RELIEF FILED UNDER THIS SECTION
17 SHALL CONTAIN:

18 (I) EVIDENCE THAT THE DEBTOR PROVIDED NOTICE TO A
19 CREDITOR REQUIRED UNDER § 3-2702 OF THIS SUBTITLE; AND

20 (II) INFORMATION IDENTIFYING:

21 1. THE ACCOUNT ASSOCIATED WITH THE COERCED
22 DEBT;

23 2. THE INDIVIDUAL IN WHOSE NAME THE COERCED
24 DEBT WAS INCURRED; AND

25 3. THE INDIVIDUAL WHO CAUSED THE DEBTOR TO
26 INCUR THE ALLEGED COERCED DEBT INCLUDING, IF KNOWN, THE INDIVIDUAL'S
27 CONTACT INFORMATION.

28 (D) (1) ~~ON ORDER OF A COURT, A~~ PETITIONER IS NOT REQUIRED TO
PROVIDE INFORMATION UNDER SUBSECTION (C)(1)(II)3 OF THIS SECTION IF
THE PETITIONER ~~SIGNS A~~

~~1 SWORN STATEMENT ATTESTING THAT DISCLOSURE IS LIKELY TO RESULT IN ABUSE
2 OF OR HARM TO THE PETITIONER, OR HARM TO THE PETITIONER'S FAMILY OR PET.~~

3 (2) THE COURT SHALL TAKE APPROPRIATE STEPS NECESSARY TO
4 PREVENT ABUSE OF OR HARM TO THE DEBTOR, OR HARM TO THE DEBTOR'S FAMILY
5 OR THE DEBTOR'S PET.

6 (3) APPROPRIATE STEPS UNDER THIS SUBSECTION MAY INCLUDE
7 SHIELDING OF CASE FILES, REDACTING PERSONALLY IDENTIFIABLE INFORMATION,
8 OR REQUIRING DEPOSITIONS AND EVIDENTIARY HEARINGS TO BE CONDUCTED
9 REMOTELY.

10 (E) (1) IN AN ACTION UNDER THIS SECTION, A DEBTOR HAS THE BURDEN
11 OF PROOF TO SHOW THAT NOTICE REQUIRED UNDER § 3-2702 OF THIS SUBTITLE
12 WAS PROVIDED TO THE CREDITOR.

13 (2) ONCE A DEBTOR MEETS THE BURDEN OF PROOF UNDER
14 PARAGRAPH (1) OF THIS SUBSECTION, A CREDITOR HAS THE BURDEN OF PROOF TO
15 SHOW THAT THE DEBTOR DID NOT ALLEGE IN GOOD FAITH THAT THE DEBT WAS
16 COERCED.

17 **3-2704.**

18 THIS SUBTITLE MAY NOT BE CONSTRUED TO PROHIBIT A CREDITOR FROM
19 PURSUING AN ACTION AGAINST AN INDIVIDUAL ALLEGED TO HAVE CAUSED A
20 DEBTOR TO INCUR COERCED DEBT.

21 **3-2705.**

22 IF A DEBTOR RECEIVES A DECLARATORY JUDGMENT THAT A DEBT IS A
23 COERCED DEBT UNDER THIS SUBTITLE, A DEBTOR MAY SEEK RELIEF IN A COURT OF
24 COMPETENT JURISDICTION AGAINST AN INDIVIDUAL ALLEGED TO HAVE CAUSED A
25 COERCED DEBT, INCLUDING:

26 (1) DAMAGES IN THE AMOUNT OF PAYMENTS MADE OR COSTS
27 INCURRED RELATED TO THE COERCED DEBT;

28 (2) ATTORNEY'S FEES; AND

29 (3) COURT COSTS.

30 **3-2706.**

1 **IN AN ACTION AGAINST A DEBTOR TO SATISFY A DEBT, IT IS AN AFFIRMATIVE**
2 **DEFENSE THAT THE DEBT IS A COERCED DEBT.**

3 **3-2707.**

4 **AN AGREEMENT BETWEEN A DEBTOR AND ANY OTHER PERSON TO WAIVE OR**
5 **MODIFY A RIGHT CONFERRED OR CAUSE OF ACTION CREATED UNDER THIS**
6 **SUBTITLE IS VOID AS CONTRARY TO PUBLIC POLICY.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That, if any provision of this Act or
8 the application of any provision of this Act to any person or circumstance is held invalid for
9 any reason in a court of competent jurisdiction, the invalidity does not affect other
10 provisions or any other application of this Act that can be given effect without the invalid
11 provision or application, and for this purpose the provisions of this Act are declared
12 severable.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2026.