



HB 1520 – Courts - Exemption From Judgment - Alterations and Additions

Committee: House Judiciary Committee

Date: March 11, 2026

Position: Oppose

The Maryland Bankers Association (MBA) **OPPOSES** HB 1520. This legislation expands and increases the types and values of property that a person can protect from being seized to satisfy a judgment or during bankruptcy. While MBA recognizes the intent to support vulnerable Marylanders, the bill's sweeping expansion of asset exemptions would significantly undermine the stability of the state's credit markets.

HB 1520 dramatically increases the categories and dollar amounts of property exempt from judgment and bankruptcy proceedings. These changes include substantial increases in exemptions for household goods, motor vehicles, and primary residences, as well as the creation of new exemptions such as firearms valued up to \$3,000. In bankruptcy cases, the bill raises the homestead exemption to \$300,000, or \$600,000 when the debtor or a dependent is elderly or disabled. These provisions, while well-intentioned, have far-reaching consequences for Maryland's lending environment.

By shielding large amounts of personal property—and in some cases hundreds of thousands of dollars in home equity—the bill significantly reduces the assets available to satisfy outstanding debts. When lenders cannot rely on collateral or post-judgment remedies, they must compensate for heightened risk by tightening underwriting standards or restricting access to credit altogether, particularly for borrowers with limited financial history or lower incomes. These outcomes run counter to Maryland's goals of promoting financial inclusion and affordable credit.

MBA remains committed to working collaboratively with the General Assembly to craft more balanced solutions that support Marylanders in genuine financial distress while preserving equitable lending practices, maintaining incentives for responsible repayment, and upholding the core values of personal accountability and willingness to work. Accordingly, MBA urges issuance of an **UNFAVORABLE** report on HB 1520.

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.