

CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

SHARON S. MERRIWEATHER
Deputy Attorney General

ZENITA WICKHAM HURLEY
Deputy Attorney General



**STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION
LENDING & FINANCE UNIT**

ANTHONY G. BROWN
Attorney General

WILLIAM D. GRUHN
Division Chief

WILSON M. MEEKS, III
Unit Chief

PETER V. BERNS
General Counsel

CHRISTIAN E. BARRERA
Chief of Staff

DAVID A. BENNER
Assistant Attorney General

March 9, 2026

TO: The Honorable J. Sandy Bartlett, Chair
Judiciary Committee

FROM: David A. Benner, Assistant Attorney General

RE: House Bill 1520 – Courts – Exemption from Judgment – Alterations and Additions (SUPPORT IN CONCEPT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports House Bill 1520, sponsored by Delegate Tomlinson, in concept. HB 1520 would increase certain existing exemptions from judgment attachment and would introduce additional categories of reasonable exemptions, as described below. The Division has historically been supportive of efforts to increase consumer exemptions from judgment collection, which have failed to keep up with the increased cost of living.

Consumer debt collectors often purchase charged-off consumer debt for a fraction of its face amount and then sue to collect the full amount. These actions frequently go to judgment without a hearing, without proof that the debt is owed, and without a meaningful opportunity for consumers to contest the validity of these debts. Consumers may face default judgments against them due to lack of notice, being unable to take time off work, language barriers, barriers arising from age or lack of sophistication, or the inability to obtain or afford an attorney. Increased exemptions protect consumers by allowing them to maintain their basic needs after a judgment, particularly if the judgment was obtained unfairly.

House Bill 1520 would increase the dollar value of the allowable homestead exemption within bankruptcy for the first time since 2010, increasing the exemption from the federal standard of \$31,575 to \$300,000 for most consumers, and \$600,000 for the elderly or disabled. House Bill 1520 also includes mobile homes within the scope of owner-occupied residential real property protected from seizure. HB 1520 would also increase the cash value of homestead goods for the first time since 2004, increasing it from the current \$1,000 to \$5,000 for most consumers, and \$10,000 for disabled veterans. HB 1520 further adds a \$10,000 motor vehicle

exemption for vehicles “necessary for practice of the debtor’s occupation, trade, or enrollment” in school. This exemption increases to \$25,000 for the elderly and disabled. House Bill 1520 also introduces exemptions for the federal Child Tax Credit and Earned Income Tax Credit. House Bill 1520, as drafted, includes a \$3,000 exemption for firearms, but it is the Division’s understanding this exemption is no longer under consideration.

Although the Division supports the concept of legislation to increase exemptions from judgment, the Division notes that HB 1520 uses confusing or inconsistent definitions of disability. For example, the proposed exemption for household goods is available to “disabled veterans” only, while higher exemptions for motor vehicles and occupied housing are available to the elderly and the disabled regardless of veteran or service disability status. Additionally, the definitions of “Disabled” and “Disabled Veteran” differ. HB 1520 defines “Disabled” to require a physical or mental disability, “mak[ing] an individual unable to engage in substantial gainful employment,” and the impairment must either last or can be expected to last for 12 months or can be expected to result in death. The definition of “Disabled Veteran,” by contrast, derives from Maryland law, the Tax-Property Article, 7-208. This provision covers U.S. Department of Veterans Affairs declared service-connected disabilities that are “reasonably certain to continue for the life of the veteran.” Thus, individuals who qualify as “Disabled Veterans” for purposes of the household goods exemption and who can work part-time, may not be “Disabled” for purposes of the motor vehicle or homestead exemptions. Further, to take advantage of the motor vehicle exemption, the vehicle must be “necessary for practice of the debtor’s occupation, trade, or enrollment” in education. However, to qualify as “Disabled,” these individuals must be totally unable to engage in substantial gainful employment.

Nevertheless, given the significant increase in value of homes, vehicles and household goods, the Division supports increasing consumer exemptions from judgment attachment, and the introduction of reasonable new exemptions, and thus asks for a favorable report that takes into account the concerns raised by the Division.

Cc: The Honorable Chris Tomlinson
Members, Judiciary Committee