



TESTIMONY IN SUPPORT OF SB 425

Debt Collection - Exemptions From Attachment and Executions
Senate Finance Committee
February 14, 2020

Submitted by Stacey Jefferson and Margo Quinlan, Co-Chairs

Member Agencies:

Advocates for Children and Youth
Baltimore Jewish Council
Behavioral Health System Baltimore
CASH Campaign of Maryland
Catholic Charities
Episcopal Diocese of Maryland
Family League of Baltimore
Fuel Fund of Maryland
Health Care for the Homeless
Homeless Persons
Representation Project
Job Opportunities Task Force
League of Women Voters of Maryland
Loyola University Maryland
Maryland Catholic Conference
Maryland Center on Economic Policy
Maryland Community Action
Partnership
Maryland Family Network
Maryland Hunger Solutions
Paul's Place
Public Justice Center
St. Vincent de Paul of Baltimore
Welfare Advocates

Marylanders Against Poverty

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Marylanders Against Poverty (MAP) supports SB 425 which updates Maryland's debt exemptions law to protect low income individuals and families.

This bill accomplishes this by changing the amount of wages of a judgment debtor that are exempt and includes insurance payments that are given for restoration, remediation work, or replacement in the exemption.

Families should not be plunged further into poverty, debt, and financial instability. Currently, there is a formula used that protects some amount of a person's wages. However, this amount is not enough for a person to be able to continue to provide basic needs for themselves or their families. This system pushes people into a cycle of debt. Limiting the amounts of funds that a family has to the point where basic needs are not covered, will lead to people borrowing money from other places. The individuals that **SB 425** will protect are already financially vulnerable. As the law currently stands, these people are at risk of facing greater financial instability.

Money received through insurance should be protected so families are not left vulnerable. **SB 425** protects property insurance payments for specific reasons. These payments should be protected, because it will safeguard individuals from being exposed. When assets are damaged, it can plunge people and families into a volatile situation.

SB 425 gives people and families the protection that they need to be in the best position to pay their debts.

MAP appreciates your consideration, and urges a favorable report on SB 425

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.