



Consumer Credit Counseling Service of MD & DE, Inc.  
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**Testimony to the Senate Finance Committee**

**SB 425 : Debt Collection - Exemptions From Attachment**

**Position: Favorable**

February 14, 2020

**Senator Delores G. Kelley, Chair, Senate Finance Committee**  
**3 East, Miller Senate Office Building**  
**Annapolis, Maryland 21401**  
**Cc: Members, Economic Matters**

**Honorable Chair Kelley and Members of the Committee:**

On behalf of Consumer Credit Counseling Service of Maryland and Delaware, Inc., dba CCCSMD, I am writing to ask you to support **SB 425** , which would increase the amount of wages that a low-wage worker can protect from garnishment.

When passed, **SB 425** will allow low-wage workers to protect 75% of wages or 50 times the Maryland minimum wage of \$11. This means a low-wage worker can protect \$550 a week, or \$28,600 a year from wage garnishment. Currently, Maryland only protects \$217 a week, or \$11,310 a year which is lower than the federal poverty line for an individual. **Today, a low-wage worker could work 40 hours a week, 52 weeks a year and be pushed below the federal poverty level to pay off a debt collector.**

Thirty-two other states do more to protect low-wage workers from financially devastating wage garnishment. Maryland lags behind the District of Columbia, Virginia, West Virginia, Delaware, and Pennsylvania, which doesn't garnish wages at all.

As households struggle to make ends meet, Maryland must update its draconian garnishment laws, which favor debt collectors over families attempting to get a fresh start and become financially stable.

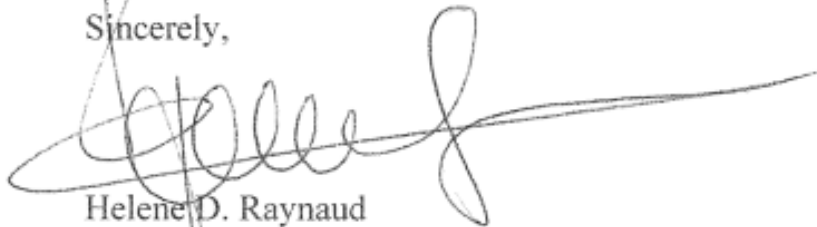
Since 1966, CCCSMD has helped thousands of financially burdened Marylanders find effective solutions to their debt obligations through a Debt Management Plan. And while we've been able to aid many by negotiating with their creditors to a mutually beneficial solution, we have been

challenged by situations where extreme measures such as wage garnishment amplify the financial hardship for the individual and their families making it nearly impossible to help them. This is especially true for those on the low end of the income spectrum.

Indeed, few options exist for those already struggling to make ends meet when they're faced with wage garnishments and many will need to make difficult decisions based on their limited financial capacity. These include whether to pay utilities or buy food for their families; some have to begin exploring last-resort options such as bankruptcy as their only method of protection. CCCSMD supports the passing of HB365 and SB425 to protect a larger portion of wages earned by low-income MD residents so they can continue providing for their families while at the same time satisfying their financial obligations.

For these reasons, we support SB 425 and ask for a favorable report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Helene D. Raynaud', with a long horizontal flourish extending to the right.

Helene D. Raynaud

President/CEO