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January 14, 2022

To: The Honorable Kumar P. Barve
Chair, Environment and Transportation Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: House Bill 134 – Failure to Pay Rent Proceedings - Prohibition on Rent Increases and Sealing of Court Records (SUPPORT WITH AMENDMENTS)

The Consumer Protection Division of the Office of the Attorney General supports House Bill 134 sponsored by Delegate Terri L. Hill with an amendment removing subsection (g)(I)(2)(II), which prevents the sealing of records involving a tenant who receives federal rental assistance. House Bill 134 requires the District Court to seal any court record from a failure to pay rent proceeding within sixty days if judgment for possession is not awarded to the landlord. Moreover, House Bill 134 allows a tenant to petition for the sealing of a prior failure to pay rent action when a tenant redeems possession of the property, or as justice requires.

Presently, failure to pay rent actions are available for public inspection and reporting regardless of the disposition of the case. As a result, the filing of failure to pay rent actions immediately appears on tenants' credit and other rental history records, but the ultimate disposition and the circumstances surrounding such filing are not necessarily included within such records, which can have a catastrophic impact on consumers' access to housing and less expensive credit. As the Washington Post has reported, even when a tenant is successful in defending a failure to pay rent filing, or has paid off any alleged debt and avoided a physical eviction, a tenant can still be denied subsequent rental housing due to the reporting of a prior eviction filing on credit reports and other background records, creating a constant cycle of housing insecurity.¹

House Bill 134 seeks to break this cycle of housing insecurity by sealing court records from a failure to pay rent proceeding when a judgment of possession is not awarded to a landlord, thus

¹ "The stimulus relieved short-term pain, but eviction's impact is a long haul" Washington Post, February 8, 2021.

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limiting the dissemination of inaccurate or incomplete information to landlords that would create barriers to tenants seeking housing.

Moreover, House Bill 134 provides essential relief to Marylanders impacted by the ongoing COVID-19 Pandemic. Without House Bill 134, those evicted during the pandemic due to income loss or the unexpected and unfortunate loss of a loved one will face a barrier to securing new housing. House Bill 134 would minimize the long-term impacts of these unforeseen events and allow Maryland families to rebuild and stabilize.

While House Bill 134 seeks to remedy inaccurate and detrimental publicly available failure to pay rent eviction filings, House Bill 134 inappropriately prohibits the proposed sealing remedy to those receiving federal housing subsidies. As House Bill 134 only permits the sealing of records when a tenant successfully defends a complaint, when a tenant redeems the rental unit by paying all arrearages, or as justice requires, there is no compelling rationale to prohibit use of this vital remedy to those obtaining federal rental assistance. Indeed, individuals with incomes low enough to utilize federal housing assistance are those most in need of the grace and compassion House Bill 134 provides.

The Consumer Protection Division supports House Bill 134 with the proposed amendment and requests the Environment and Transportation Committee provide a favorable report with amendment.

cc: The Honorable Terri L. Hill
Members, Judiciary Committee