



**JUSTICE FOR ALL**

MARYLAND HOUSE JUDICIARY COMMITTEE  
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE  
IN SUPPORT OF HB0322: DEBT COLLECTION – EXEMPTIONS FROM  
ATTACHMENT AND EXECUTION  
WEDNESDAY, FEBRUARY 09, 2022

Susan Francis  
*EXECUTIVE DIRECTOR*

**BOARD OF DIRECTORS**

Anthony P. Ashton  
*PRESIDENT*

Alexandria K. Montanio  
*VICE PRESIDENT*

David G. Sommer  
*TREASURER*

Penny J. Minna  
*SECRETARY*

Tyree Ayres  
Shereefat O. Balogun  
Matthew M. Bryant  
Jhonell Campbell  
Richard L. Costella  
Brian Gordon  
La'Tika Howard  
Dr. Ann Irvine  
Robin Leone  
Reba Letsa  
Saad Malik  
Michael March  
Amy M. McClain  
Dana W. McKee  
Charles J. Morton, Jr.  
Derek P. Roussillon  
Marc E. Shach  
Dennis J. Shaffer  
James Tansey

Chair Clippinger and distinguished members of the Committee, thank you for the opportunity to testify in support of House Bill 322.

My name is Aja' Mallory, and I am the Consumer Staff Attorney at the Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS' founding in 1981, our statewide panel of over 1,700 volunteers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY21, MVLS volunteers and staff lawyers provided legal services to 4,459 people across the state. Approximately 30% of our cases focus on consumer issues like foreclosure, tax sale, bankruptcy, and debt collection. For the reasons explained below, we respectfully request a favorable report on House Bill 322.

MVLS assists Marylanders facing debt in several ways, including a courthouse clinic in Baltimore City as well as representing Marylanders statewide with bankruptcy and other debt collection relief. Since 1999, we have assisted over 8,000 Marylanders to get consumer assistance and in an average year we assist more than 400 people facing debt collection at our courthouse clinic in Baltimore City. From the data collected, the average consumer seen at these clinics is an African American woman earning less than half the Maryland median income. She is in her early 40s, does not have a college degree, and she cares for at least one child or parent at home.

We know that statistically people who do not show up to the courthouse to dispute a lawsuit make up more than 80% of people sued in the state. That means they do not have the opportunity to contest what they allegedly owe. This further means that the first interaction they have with the lawsuit is via a garnishment. Unless the debtor knows they can file to request to exempt funds in their account, the creditor can take up to 100% of the contents of their bank account. In my capacity as the courthouse clinic manager, along with my fellow MVLS staff attorneys, we have never met a non-lawyer who knew they could do this despite assisting hundreds of clients with consumer matters each year. These garnishments keep people in a cycle of poverty. They can easily mean someone cannot cover their rent payments, leading to eviction and homelessness. This cycle is a greater strain on state resources.

Two of our clients exemplify the need for this bill. Mary had a frustrating experience. She is in her mid-70s, widowed and blind. Her only income comes from social security, and she owns no real property or tangible assets of value. Mary's son had given her \$200 so she could get groceries for the month. A creditor filed to garnish her account that contained these comingled funds. A motion was filed to exempt her funds and release them a few days later. Rather than automatically releasing the funds, the Court reviewed the motion and set it in for a hearing. At the hearing, MVLS asked that her funds be released, the creditor agreed that the request was timely filed, but still refused to release her funds without the Court ordering them to do so. The Court ordered the release of Mary's funds orally, however, a written order was not sent to the bank quickly. MVLS had to convince her bank's attorney to release the funds based on the court's written hearing notes from the court file. An official order was not sent by the Court to the bank until several weeks later. Mary's funds were frozen for four months only because her son tried to help her buy groceries. The funds would have been frozen for longer if the bank's attorney had not agreed to accept the Court's written notes from the hearing. Finally, she never would have been able to navigate this process without the assistance of an MVLS attorney, and most debtors do not obtain legal assistance.

Another client is Sharon who is in her late 60s. With a modest amount of debt and her only income from social security, her income was protected from garnishment. However, she forgot that her grandson had an account with her even though none of the funds were hers. One of her creditors did not freeze her checking account but did freeze the account that was held jointly with her grandson that contained only her grandson's wages. MVLS had to file to release the account, which took six weeks. My client, who was barely able to cover her basic expenses, had to give money to her grandson to ensure he would not get evicted. The grandson had to change banks. All of this occurred because she forgot her name was still on her grandson's account from when he was a minor years prior.

MVLS has been fighting to even the playing field for Marylanders with limited means for decades, and we know that these members of our community face significant financial obstacles. Although we believe Maryland's exemptions need to be expanded more broadly and specifically, the bill should add a bank account exemption rather than make it part of the \$6,000 wild card exemption, HB322 would benefit our residents who need the help the most. MVLS respectfully requests a favorable report on HB322.

Mister Chair and members of the Committee, thank you again for the opportunity to testify.