



2018 Legislative Wrap Up

Each year, the Maryland Consumer Rights Coalition joins with legislators, other advocates, and community members to develop an ambitious legislative agenda to move our state farther down the road towards economic justice and inclusion. We are proud of what we accomplished in 2018 – although we have much left to do. Read more about the highlights from this year's legislative session:

Financial Consumer Protection Act – HB 1634/SB 1068

As Acting Consumer Financial Protection Bureau Director Mick Mulvaney increases his efforts to weaken the CFPB and drops probes of payday lenders, Maryland expanded its efforts to protect consumers from predatory financial products and services. The Financial Consumer Protection Act (HB 1634/ SB 1068) will step in to protect Maryland consumers in a number of ways:

- The bill will close potential loopholes that out-of-state payday lenders have exploited by clarifying that loans (inclusive of interest rates and other fees) cannot exceed our 33% rate cap, nor violate the Military Lending Act. Any loan that exceeds our rate cap is void, unenforceable, and cannot be collected.
- It also ensures that consumer loans up to \$25,000 (from \$6,000) are subject to this more consumer-friendly rate cap.
- It increases the fines for violation of the Consumer Protection Act from \$1,000 for the first violation to \$10,000, and subsequent violations from \$5,000 to \$25,000 – meaning that it will actually hit predatory actors where it hurts: their bottom line.
- Finally, the bill will expand the ability of the Attorney General and the Commissioner of Financial Regulation's to enforce the Dodd-Frank Act as needed.



Making Security Freezes Free – HB 710/SB 202

Following the Equifax data breach, many consumers rushed to freeze their credit, only to find that they had to pay a small fee to do so. MCRC supported legislation this year to prohibit a credit reporting agency for charging a consumer a fee for a placement, removal, or temporary lift of a security freeze. Because consumers shouldn't be required to pay to ensure a sense of safety over their personal information.





Homestead Tax Credit Notification – HB 305/SB 158

MCRC supported HB 305/SB 158 which replicates successful legislation passed in 2016 to require the state to notify homeowners who might be eligible about the Homeowners' Tax Credit. This new legislation requires the state to notify eligible homeowners about the Homestead Tax Credit. This legislation will notify the 470,500 homeowners who have not applied for the this tax credit and alert them to their eligibility – potentially saving each applicant thousands of dollars.

For-Profit School Regulation – HB 1103/SB 795

As Secretary of Education Betsy DeVos dismantles regulations aimed at protecting students from high-debt, low-return for-profit schools, Maryland legislators strengthened efforts to inform and protect students who are enrolled or considering enrollment in for-profit schools. HB 1103/SB 795 requires for-profit schools in Maryland (and certain online for-profit schools) to disclose information about a school's costs, cancellation and refund policies, withdrawal rates, and completion rates. This information must be provided to prospective students before an individual signs an enrollment agreement, makes a financial commitment, or registers at the school. Moreover, each of these schools will now have to provide a "performance bond" that would be used to reimburse students' non-federal loan tuition should a school shut suddenly (like ITT Tech) or be found to be deceptive or fraudulent. This legislation will immediately help the 15,846 students enrolled at these schools, as well as thousands who are considering enrolling.



Expanding the Student Loan Notification Letter – HB 1103/SB 795

Student loans and student loan debt is a huge concern for many young adults as well as their parents. Last year, MCRC worked with the General Assembly to pass legislation that created a student loan notification process for students at Maryland public schools. The bill required these institutions to provide an annual disclosure notice to students about their outstanding loan balance, projected monthly payment, and other helpful information. This year, the law was expanded to include for-profit schools and private career schools in the list of higher ed institutions providing these notices to students.