



PRESS RELEASE

AG Frosh Announces 2016 Legislative Priorities *Backs Efforts to Protect Lead Paint Victims and Other Injured Marylanders; Boost Debt-Collection Protections*

Baltimore, MD (February 23, 2016) --Attorney General Brian E. Frosh today announced his priority legislation for the 2016 General Assembly session, backing measures that protect injured Marylanders such as lead-paint poisoning victims after they obtain lawsuit settlements; and that protect consumers from improper and harassing debt collection.

Attorney General Frosh has asked for the introduction of [HB 535/SB 734](#) - **Structured Settlement Reform**. The bill creates important new safeguards for injured Marylanders who face possible exploitation when they are offered immediate case in exchange for a stream of payments obtained through the settlement of a personal injury lawsuit.

Those payments are known as structured settlements. An industry has developed to obtain these payments for substantially less than their market value through marketing targeted to the vulnerable populations that hold these payments, such as young Baltimore residents who have been plaintiffs in lead-paint poisoning lawsuits.

A review by the Office of the Attorney General has found that the victims may not be receiving the independent financial advice that current law requires, and that the factoring companies often rely on shell corporations which may not be registered to do business in Maryland.

The legislation supported by the Attorney General:

- Requires that victims receive independent advice on whether a proposed transfer is in their best interests;
- Requires that courts find that the transfer is in the best interest of the injured person, taking into account the welfare of dependents;
- Requires that applications for transfers be filed in the circuit court in the county in which the injured person resides;
- Authorizes the Office of the Attorney General to adopt and enforce regulations that protect injured plaintiffs.

"These are important safeguards that will help injured Marylanders navigate what is now an unregulated industry with, as we have seen, troubling business practices," said Attorney General Frosh.

Frosh is also supporting two bills that offer protections to consumers who are subject to debt collection efforts from third-party debt buyers, often times improperly - using out of date documents, or relying on incomplete information.

Frosh is backing [HB 1159/SB 733 Consumer Protection -- Debt Buyers and Collectors;](#) and [HB 1491/SB 771 Consumer Debt Collection Actions -- Restrictions.](#)

The Consumer Protection bill (HB 1159/SB 733):

- Prohibits a debt-buyer from attempting to collect unless they have valid copies of the original agreement between the debtor and the creditor, and other valid documents related to the history of the debt.
- Requires that the debt buyer's initial communication with the consumer to identify the name of the original creditor and account information, because that information is often missing.
- Requires the debt buyer to notify the consumer if the debt is past the statute of limitations and provide notice regarding the consequences of acknowledging or making payment on the debt, which can re-start the period.

The Collection Actions bill (HB 1491/SB 771):

- Spells out the documentation that a debt buyer needs in a collection action in order to obtain a court judgment, to address concerns that many cases are launched with insufficient or missing documentation.

"Too many Marylanders have been subject to collection action on debts that they either don't owe or are improperly documented," Frosh said. "We believe consumers will benefit tremendously from the protections that these bills offer."

A hearing on the structured settlement bill is scheduled for this week, Feb. 25, before the House Judiciary Committee.