

ATTORNEY GENERAL'S ACCESS TO JUSTICE TASK FORCE
CONSUMER PROTECTION COMMITTEE

Wednesday, September 16, 2020
3:32 pm – 4:22 pm

Participants
Amy Hennen
Aracely Panameño
Arzhang Navai
Christine Hines
Christopher Dews
David Finkler
Delegate Joseline Peña-Melnyk and Edith Perry
Emanwel Turnbull
Hank Greenberg
Helene Raynaud
Jane Santoni
Joy Sakamoto-Wengel
Kat Hyland
Marceline White
Michele Honick
Nikki Thompson
Pokuaa Owusu Acheaw
Rory Murray
Steve Sakamoto-Wengel
Observers
Diana Lynne Hsu, Maryland Hospital Association

Agenda

1. Welcome - -Marceline (5 minutes)
2. Roll – Steve (3 minutes)
3. Review minutes from September 2 meeting- Steve (5 minutes)
4. Cashless transactions (Marceline)
5. Advocacy updates (Marceline)
6. Debt collection Town Hall (Steve)
7. Subcommittee Reports 20 minutes
 1. Consumer Education - Robin
 2. Mediation/ADR/ODR/Support services - Amy
 3. Court forms/Notices - Aracely
 4. Court procedures/Access – Kat
 5. Liaison report - Michele

8. New discussion items
9. Set next meeting – 5 minutes

Committee Discussion

- I. Meeting called to order at 3:33. Marceline advised us that the Task Force would be meeting tomorrow beginning at 10 a.m. and all members of this Committee are welcome to attend. A synopsis of the possible recommendations, which were previously distributed by email, would be discussed. Marceline encouraged each Committee member to post one or two questions in advance of the meeting. The Task Force added an October 15, 2020 meeting to consider recommendations. The Final Report and Policy Recommendations will be issued in December.
- II. The Committee reviewed minutes from the last meeting. Aracely made a motion to accept the minutes; Helene seconded the motion. The motion passed unanimously.
- III. Cashless transactions:
 - Marceline referred to the New York Times' article, previously distributed, that related to either requiring use of cash in transactions or having to pay higher prices if opting to use cash, and the negative impact on minority communities, which include consumers as well as small, minority business owners. Some states have addressed this through legislation prohibiting this requirement. We believe it's important to address this issue but we need to do so without negatively impacting the small minority-business owners. For example, adding penalties, fees or fines to statutes for noncompliance would create a negative impact on small, minority business owners.
 - Delegate Peña-Melnyk advised that we need to put it in the legislative queue and advised the bill drafters that Steve is an authorized person with whom they may discuss draft legislation.
 - Steve: The University of Baltimore School of Law clinical law students are researching the laws that are in place in other jurisdictions. Steve asked whether anyone knew of any data that exists about how many small and minority business owners do not accept cash.
 - Aracely: Many minority-business owners deal in cash so requiring businesses to accept cash should not hurt them.
 - Nikki: Use of fees and fines are not the best way to curb behavior in low income communities because many times the business owners are unaware they are violating a law. Perhaps a fine could be used in the case of repeat offenders. Another issue is how a particular dollar figure for a fee or fine is selected and also where is it that the collected fees will go.
 - Steve: One possibility is to make requiring cash a violation of the Consumer Protection Act (CPA). The CPA identifies five factors that need to be considered in determining whether to impose penalties and the amount of the penalties, and bad faith or being a repeat offender are among the factors.
 - Marceline: five factors give flexibility
 - Amy had worked with a committee studying penalties on unlicensed tax preparers, who are not wealthy people, many of whom were merely unaware that they needed to be licensed to prepare taxes.

- Steve: advised that in the past, businesses fiercely fought the private right of action provision in the CPA, which Jane thought was a very important provision not to lose.
- Manny: under the CPA, the private right of action requires a showing of actual damages, which might be hard to show in this situation, so businesses shouldn't oppose it.
- Kat moved that the committee recommend to the Task Force that the cashless transaction proposal be adopted as a Task Force recommendation. Amy seconded the motion. The motion was adopted by the Committee. Rory Murray noted for the record that he did not know the position of the Credit Union Association so was abstaining.

IV. Advocacy update: Kat received one comment on the Advocacy letter and incorporated it into the template. Marceline said we want as many organizations as possible to send out the letter and that members of the Committee should forward it to any organizations with which they are associated. The final template would be circulated.

V. Debt Collection Town Hall: The Debt Collection Town Hall, which is now being called a Community Forum, will be held on Wednesday, September 23. The Spanish language Forum will be held at 4 pm and will be moderated by Roberto Veloso, an attorney in private practice, with the presenters being Jessica Quincosa from Community Legal Services of Prince George's County and Sabrina Wear from Legal Aid Bureau. The English language Forum will be held at 6 pm and Ingmar Goldson will be the moderator and the presenters will be Amy Hennen and Jane Santoni. PowerPoint presentations are being finalized. Flyers for the Community Forums will be circulated and should be circulated as widely as possible.

VI. Subcommittee reports:

- a. Education: The Subcommittee is continuing to work on the micro-site and has tentatively set a meeting with the Forms and Notices Subcommittee so that they can coordinate their micro-sites.
- b. Mediation/ADR/ODR: Amy reported that they hope to meet with Delegate Charkoudian to discuss the Subcommittee's thoughts about how mediation should work.
- c. Court Forms and Notices: Aracely reported that the Subcommittee is continuing to work on the micro-site and awaiting input from attorneys who practice in the debt collection arena. The Subcommittee is also reviewing the Small Claims Complaint and Summons Forms and is developing proposals to make the forms more readable and user friendly.
- d. Court Procedures: Kat reported that the Subcommittee incorporated input from representatives of both creditors and debtors in developing their recommendations. The proposals include (1) an automatic exemption for up to two times the average rent in Maryland, which is currently \$1,300 per month; (2) possibly proposing to eliminate the automatic lien in Baltimore City arising out of small claims judgments. In other jurisdictions, circuit court judgments are automatic liens against real property, however, for district court judgments, the judgment creditor needs to affirmatively enroll the judgment as a lien; (3) eliminating body attachments. The Subcommittee also hopes to be able to have a consumer member on the Maryland Rules Committee. Amy reported that the Housing Security Committee is proposing

increasing the homestead exemption to \$250,000. The Committee identified 13 states thus far that have higher homestead exemptions than Maryland. The Subcommittee is also proposing changes to collection by the State Central Collections Unit, including lowering the 17% collection fee to the general 6% interest rate that applies to judgments and to apply the three year statute of limitations to collection actions by CCU. Kat also reported that the Subcommittee is proposing that jurisdictions that are not currently requiring electronic filing of pleadings (Baltimore City, Montgomery County and Prince George's County) allow pleadings to be filed with electronic signatures. The Subcommittee also is looking at the online dispute resolution program being offered by the Courts.

- e. Liaison report: Michele attended the meeting of the Public Outreach committee which is publicizing the community forums. She said that the links to the forum recordings need to be made more prominent on the OAG website. Edith Perry from Delegate Peña-Melnyk's office suggested that notice of the community forums should be sent to the members of the General Assembly who could include them in their constituent newsletters.

VII. New Discussion items: None

VIII. Next meeting: Since the Community Forums will be held on the 23rd, the Committee will not be meeting that date but will meet on the 30th instead. Committee members should continue to work on finalizing their Subcommittee recommendations, distributing the advocacy letter, and publicizing the Community Forums. The Committee will communicate by email in the meantime.

Jane moved to adjourn; Kat seconded. The meeting adjourned at 4:22 p.m.