

# DLLR

STATE OF MARYLAND

DEPARTMENT OF LABOR, LICENSING AND REGULATION

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**Testimony in Support of House Bill 1292  
Consumer Protection—Blacklist Prevention  
Sarah Bloom Raskin, Commissioner of Financial Regulation  
March 11, 2009—House Economic Matters Committee**

Chairman Davis, Vice Chairman Rudolph, and members of the Committee, we believe House Bill 1292 provides Maryland consumers with important protections that do not exist under current law. HB 1292 prohibits creditors from engaging in the practice of “blacklisting” in connection with a consumer contract, unless the consumer has consented in writing to this practice.

“Blacklisting” is the practice where a creditor alters the terms of credit under a consumer contract, such as accelerating payment, increasing the interest rate, or reducing the credit limit available, based on the particular merchants and mortgage lenders with whom the consumer does business. Hence, an unwary consumer could suffer from an unfavorable change in credit terms because the consumer purchased goods or services from an “unsuitable” merchant or lender. Among other things, we believe that engaging in such a practice without the consumer’s knowledge and consent is an unfair and deceptive trade practice and that HB 1292 would minimize such harm.

We request a favorable report for HB 1292.

