



MARYLAND COMMISSIONER OF FINANCIAL REGULATION INDUSTRY ADVISORY REGULATORY GUIDANCE



October 14, 2025

Guidance on New Laws on Collection of Medical Debt

The Maryland Office of Financial Regulation (OFR) issues this formal guidance to provide information on three bills, effective October 1, 2025, related to the collection of medical debt passed by the Maryland General Assembly in 2025: [HB428](#), [HB1020](#), and [HB268](#). Together, the bills amend the manner through which medical debt is collected and reported to collection agencies. Collection Agencies and Consumer Reporting Agencies should take note of the relevant changes in the law and ensure that they comply with them.

First, **HB428** requires that debt collectors seeking to obtain a money judgment for medical debt include, in the Complaint, the debtor's primary residence address and that they are seeking a money judgment for medical debt. If a money judgment is obtained, **HB428** prohibits a collector from using that money judgment to place a lien on the judgment debtor's primary residence. This bill defines "medical debt" as a debt "owed by a consumer to a person [or their agent] whose primary business is providing medical services, products, or devices". **HB428** clarifies that the definition of "medical debt" excludes charges on a general-purpose credit card. However, if a credit card was specifically opened *only* to pay for medical expenses, then any debt on that card *would* be considered medical debt. OFR understands that the Maryland District Court has updated forms to facilitate these changes.

Next, **HB1020** places new prohibitions on reporting medical debts to consumer reporting agencies, what those agencies can list on reports, and what a potential lender can consider in making a decision on a consumer's creditworthiness. This prohibits providers of medical services, devices, or products from disclosing any medical debt information to a consumer reporting agency. Further, consumer reporting agencies may not create, furnish, or maintain a report that contains any adverse information an agency knows—or should know—relates to medical debt. Agencies may also not keep information on any collection activity against a consumer for medical debt. **HB1020** also prohibits using medical debt information to determine a consumer's creditworthiness. Finally, any agreement between a provider of medical services, devices, or products and a debt collector must include a clause prohibiting the collector from disclosing any medical debt information to a consumer reporting agency.

The third bill, **HB268** relates to the statute of limitations for hospital debt as well as when a hospital may engage in collection activity. First, **HB268** maintains a 3-year statute of limitations on medical debt regardless of whether the contract between the hospital and consumer lists the debt as a contract under seal. The law also requires hospitals to provide consumers with notice of the availability of financial assistance and give the consumers 240 days in which to apply for that assistance. During this 240-day

period, a hospital may not file an action to collect on that medical debt. Hospitals are also prohibited from filing an action to collect on a medical debt for under \$500.00. Hospitals cannot report medical debt to a consumer reporting agency. Also, if a consumer is eligible for free or reduced-cost care, a hospital is prohibited from charging interest on the consumer's medical debt.

Contact

For any questions regarding this advisory, please contact Assistant Commissioner Clifford Charland, by phone at 410-230-6167 or by e-mail at clifford.charland@maryland.gov.

The Office of Financial Regulation, a division of the Maryland Department of Labor, is Maryland's consumer financial protection agency and financial services regulator. For more information, please visit our website at www.labor.maryland.gov/finance.



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