



February 6, 2026

Delegate Kriselda Valderrama  
Economic Matters Committee  
Taylor House Office Building  
Annapolis, MD 21401

**Testimony to the Economic Matters Committee**  
**HB-103, Consumer Protection - Consumer Contracts - Prohibited Waiver**  
**Position: Favorable**

Honorable Chair Valderrama and Members of the Committee:

Thank you for the opportunity to share our views on an important consumer protection matter. The National Association of Consumer Advocates, a nonprofit organization actively engaged in promoting a fair and open marketplace that forcefully protects the rights of all consumers, particularly those of modest means, strongly supports and urges favorable passage of HB 103. The bill would confirm that consumer rights and remedies granted under Maryland and federal law cannot be wiped away in one-sided corporate terms and conditions, also known as contracts of adhesion.

When Maryland lawmakers enact statutory rights and protections for consumers, they expect companies to respect those legal rights. Yet every day, as consumers in the state sign up for essential products and services such as loans or credit cards, or open bank accounts, buy concert tickets, or use online applications, they are presented with take-it-or-leave-it terms of service with oppressive provisions that restrict their legal rights while insulating companies from taking responsibility when things go awry.<sup>1</sup> Some companies take advantage of consumers' trust, lack of expertise, and unfamiliarity with rules and laws to forcibly remove individuals' substantive rights and remedies provided under state and federal law.<sup>2</sup>

State attorney generals, including Maryland's then-attorney general, remarked in a joint 2019 letter that their offices receive "thousands of complaints from consumers and regularly prosecute cases where businesses use unilaterally imposed contractual terms to engage in predatory and unscrupulous behavior."<sup>3</sup> In a 2025 report, the Consumer Financial Protection Bureau said that "companies have found ways to use fine print to evade or undermine state law. Clauses purporting to waive causes of action, limiting liability, or restrict the time frame, forum, and venue for vindicating consumer rights have become ubiquitous."<sup>4</sup>

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<sup>1</sup> See, Andrea Boyack, *Abuse of Contract: Boilerplate Erasure of Consumer Counterparty Rights*, 110 Iowa Law Review 497 (2025), <https://scholarship.law.missouri.edu/cgi/viewcontent.cgi?article=2199&context=facpubs>.

<sup>2</sup> Yehuda Adar and Shmuel I. Becher, *Ending The License To Exploit: Administrative Oversight Of Consumer Contracts*, 62 B.C. L. REV. 2405, 2415–24 (2021), <https://bclawreview.bc.edu/articles/118/files/63dd1b6eb6411.pdf>.

<sup>3</sup> Letter from State Attorneys General to Members of the American Law Institute, May 14, 2019, [https://ag.ny.gov/sites/default/files/letter\\_to\\_ali\\_members.pdf](https://ag.ny.gov/sites/default/files/letter_to_ali_members.pdf).

<sup>4</sup> Consumer Financial Protection Bureau, *Strengthening State-Level Consumer Protections*, at 18–20, January 2025, [https://files.consumerfinance.gov/f/documents/cfpb\\_strengthening-state-level-consumer-protections\\_2025-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb_strengthening-state-level-consumer-protections_2025-01.pdf).

These terms go beyond essential elements of a contract, such as price and other factors specifically related to the product or service. Further, the “rights-deleting” provisions cost consumers, and can make products and services even more expensive.<sup>5</sup> For example, some companies may use terms that add illegal fees and charges, and then prohibit or limit consumers’ ability to seek remedies (as state law allows) for the illegal conduct.

Courts, on a case-by-case basis in litigation, may review unfair contract terms, determine that the terms are “unconscionable,” and against the state’s public policy, and then may strike down the term in that specific contract. With HB-103, lawmakers can issue a bright-line rule as a more efficient way to ensure that state-provided rights and remedies are not waived in non-negotiable fine print.

Further, HB-103 would make inclusion of unlawful terms in consumer contracts an unfair and deceptive act or practice (UDAP) under Maryland law. Companies are also notorious for including illegal or invalid terms in their fine print.<sup>6</sup> A contract term that illegally removes a right may deceive consumers and impact their ability to enforce that right. Classifying unlawful terms as UDAP violations will incentivize companies to comply with the law and refrain from imposing unlawful terms and conditions on Maryland consumers.

Finally, HB103 would improve the law passed in 2025, which nullifies restrictive clauses in consumer contracts that shorten the state’s statute of limitations. It would remove unnecessary exemptions for certain industries, and ensure that Maryland residents are not restricted by contract terms that shortens the time to file a claim when harmed. The law in its current form may create confusion for consumers, businesses, and the courts.<sup>7</sup> Under HB 103, industries will conduct business on the same, level playing field, and certain sectors would not receive favored treatment over others.

We urge you to protect Maryland residents from oppressive, rights-deleting corporate terms and conditions. Pass HB-103 to preserve substantive rights granted under Maryland and federal law.

For the reasons above, we strongly urge favorable passage of this legislation.

Respectfully submitted,

Christine Hines  
Senior Policy Director

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<sup>5</sup> See, Boyack, *Abuse of Contract: Boilerplate Erasure of Consumer Counterparty Rights*, 110 Iowa Law Review 497 (2025).

<sup>6</sup> Consumer Financial Protection Circular 2024-03, Unlawful and unenforceable contract terms and conditions, <https://www.consumerfinance.gov/compliance/circulars/consumer-financial-protection-circular-2024-03/>.

<sup>7</sup> See, HB 431 (2025), <https://mgaleg.maryland.gov/2025RS/bills/hb/hb0431E.pdf>.