

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1073 (Delegate Taveras, *et al.*)  
Environment and Transportation

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Homeowner Assistance Fund – Victims of Domestic Violence – Eligibility

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This emergency bill requires the Department of Housing and Community Development (DHCD), by December 1, 2023, to establish eligibility requirements for financial assistance from the Homeowners Assistance Fund (HAF) applicable to victims of domestic violence. The eligibility requirements must apply if the current or former spouse or cohabitant of the victim of domestic violence refuses or is unwilling to participate in a standard application for financial assistance from the fund. The bill includes a severability provision. **The bill terminates June 30, 2026.**

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Fiscal Summary

**State Effect:** The bill is not anticipated to materially affect State operations or finances, as discussed below.

**Local Effect:** The bill is not anticipated to materially affect local government operations or finances.

**Small Business Effect:** None.

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Analysis

**Bill Summary:** DHCD must require evidence that a victim of domestic violence is listed on the deed to the property for which the victim of domestic violence seeks financial assistance from the fund. DHCD may require a victim of domestic violence to submit some or all of the following information and documents as evidence of eligibility for financial assistance from the fund: (1) information known to the victim of domestic violence

regarding the financial resources of the current or former spouse or cohabitant; (2) a temporary protective order; and (3) a final protective order, as specified.

The requirements established by DHCD must be in addition to any other requirements for financial assistance from the fund established by law. DHCD may partner with the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) to develop the eligibility requirements required under the bill.

The bill may not be construed to authorize DHCD to establish eligibility requirements that are inconsistent with the American Rescue Plan Act (ARPA). DHCD, in exercising its duties, may not issue financial assistance to an applicant from the fund if issuing the financial assistance will result in a reduction or repayment of federal funds authorized under ARPA. DHCD must seek confirmation from the federal government on whether the proposed eligibility requirements are consistent with the administration of funds by an eligible entity under ARPA.

**Current Law:** ARPA created HAF to provide relief to homeowners at risk of displacement through foreclosure or loss of utilities or home energy services due to the COVID-19 pandemic. The U.S. Treasury allocated funding based on states' share of unemployed individuals and the number of borrowers with mortgages in foreclosure or more than 30 days delinquent. Maryland received \$248.6 million for the program, all administered by DHCD, and DHCD has committed \$79.5 million as of January 2023. DHCD has until September 2026 to spend the remaining funds. The fiscal 2024 operating budget as introduced includes \$21.7 million for financial assistance from HAF.

Households with gross incomes not exceeding 100% of the area median income (AMI) are eligible for grants of up to \$20,000 for specified purposes, including property tax, mortgage, and home insurance fee delinquencies. Homeowners with gross incomes not exceeding 150% of AMI are eligible for loans of up to \$40,000, which may be used for a one-time payment of a delinquent mortgage, in addition to additional funds to facilitate a principal reduction or rate reduction to reduce ongoing mortgage payments to levels affordable by the homeowner. The loan assistance payment is made directly to the mortgage servicer, and repayment of the loan is due at the end of the mortgage, although DHCD may allow full or partial forgiveness. The applicant for either award must self-attest to having experienced financial hardship due to COVID-19.

**State Fiscal Effect:** DHCD advises that it can establish eligibility requirements for financial assistance for HAF grant awards for victims of domestic violence with existing resources. However, DHCD advises that it cannot provide any loan modification unless all borrowers are present for the modification due to rules established by the U.S. Treasury.

GOCPYVS advises it can assist DHCD in the creation of the specified eligibility requirements with existing budgeted resources.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Governor's Office of Crime Prevention, Youth, and Victim Services; Department of Housing and Community Development; Department of Legislative Services

**Fiscal Note History:** First Reader - March 5, 2023  
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Analysis by: Thomas S. Elder

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510