
Senate Bill 155

Date: February 5, 2020
Committee: Senate Finance Committee
Bill Title: Consumer Protection – Mobile Home Purchasers
Re: **Letter of Support**

Senate Bill 155 establishes reasonable consumer protections for Marylanders who are seeking to purchase or currently own a mobile home.

The bill makes three (3) overarching changes by: (1) establishing a duty of good faith and fair dealing for mobile home retailers; (2) requiring retail sellers of mobile homes to provide consumers with certain disclosures of their rights at the time of sale; and (3) expanding the notice requirement in the mobile home foreclosure process from 10 days to 30 days, with exceptions for abandoned or voluntarily surrendered property.

Establishing a duty of good faith and fair dealing for mobile home retailers during the purchase of a mobile home will ensure that Marylanders are protected from being steered toward captive finance companies that fail to provide customers with market rate transactions or charge excessive fees. Moreover, by requiring that mobile home retailers inform prospective buyers of their rights at the time of sale, Senate Bill 155 ensures that Maryland's consumers are aware of their rights.

Senate Bill 155 aligns the foreclosure process for mobile homes more closely to the process that covers properties governed by the Real Property Article. Specifically, Senate Bill 155 extends the foreclosure timeline from 10 days to 30 days with limited exceptions for abandoned or voluntarily surrendered property. These changes are consistent with similar protections provided to homeowners under federal law, and provide greater protections for the more than 30,000 mobile homes in Maryland.

Finally, Senate Bill 155 eliminates the reference to federal law for the definition of the term "mobile home" in favor of using the definition of "mobile home" that is presently found in the Real Property Article of the Maryland Code. This change ensures that Maryland maintains authority over mobile homes regardless of future changes to federal law.

For these reasons, the Department respectfully requests a favorable report from the Committee on SB155.