



Testimony offered on behalf of:  
**MARYLAND MORTGAGE BANKERS & BROKERS ASSOCIATION, INC.**

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**IN OPPOSITION TO:**  
**SB 0621 – Maryland Mortgage Lender Law –**  
**Considerations of a Mortgage Servicer – Borrower’s Ability to Repay**

**Senate Finance Committee**  
**March 10, 2020 at 1:00 PM**

**The Maryland Mortgage Bankers and Brokers Association, Inc. (“MMBBA”)**  
**OPPOSES Senate Bill 621 for the following reasons:**

1. These types of consumer protection issues are covered by Federal law. To the extent that there are not federal regulations on the need to consider the borrower’s ability to repay a mortgage loan or a modification, there is a reason – it is not appropriate. Servicers and lenders have their own guidelines, and they will not extend mortgage loans or make loans or modifications if the borrowers cannot qualify for them pursuant to those guidelines.

2. This bill, in part, relates to modifications of existing loans. This means that there is already a loan in place. Borrowers typically want to agree to a modification because they believe the new transaction terms are better for them than the original transaction terms. Why would the General Assembly want to impose limitations on the ability of borrowers to modify their loans?

3. SB 621 does not set forth how a mortgage servicer is to determine whether a borrower has the ability to repay a mortgage loan or modification. Will regulations flesh this out? Or is it up to the mortgage servicer to make that determination – which it would due in the normal course of business to the extent it makes or modifies loans.

Therefore, the Maryland Mortgage Bankers and Brokers Association, Inc. urges the Committee to vote an Unfavorable Report on Senate Bill 621 - Maryland Mortgage Lender Law – Considerations of a Mortgage Servicer – Borrower’s Ability to Repay.