



Maryland Consumer Rights Coalition

**Testimony to the Senate Education, Health, & Environmental Affairs Committee**  
**SB 117: Workgroup on Minority Homeownership, Neighborhood Revitalization, and Household Wealth Equity**  
**Position: Favorable with Amendment**

February 9, 2021

The Honorable Paul Pinsky, Chair  
Senate Education, Health, & Environmental Affairs Committee  
2 West, Miller Senate Office Building  
Annapolis, MD 21401  
cc: Members, Education, Health, & Environmental Affairs Committee

Chair Pinsky and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of SB 117.

This bill establishes the Workgroup on Minority Homeownership, Neighborhood Revitalization, and Household Wealth Equity which would study and make recommendations to promote homeownership and create wealth-building opportunities for minority households and promote community revitalization through targeted investments in homeownership.

The Community Reinvestment Act (CRA), enacted in 1977, requires financial institutions to meet the credit needs of low- and moderate-income (LMI) neighborhoods and borrowers in the communities from which they take deposits. The law was enacted to end redlining, the practice of banks refusing to consider lending in communities of color.<sup>1</sup> Similarly, the Fair Housing Act of 1968 prohibited discrimination concerning the sale, rental, and financing of housing based on race, religion, national origin, sex, and handicap and family status.<sup>2</sup> These pieces of legislation were both enacted with the intention of desegregating the country, ending systemic racism, and creating ways to bring investment and housing opportunities to disinvested and impoverished communities. However, there is a disconnect between the intentions of these bills and their effect in practice; without robust education and enforcement components, financial institutions and housing management companies consistently fail to meet the needs of the communities they are meant to serve and continue to perpetuate segregation and systematic oppression of Americans of color.

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<sup>1</sup> <https://www.marylandconsumers.org/community-reinvestment>

<sup>2</sup>

[https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/aboutfheo/history#:~:text=The%201968%20Act%20expanded%20on.Housing%20Act%20\(of%201968\).](https://www.hud.gov/program_offices/fair_housing_equal_opp/aboutfheo/history#:~:text=The%201968%20Act%20expanded%20on.Housing%20Act%20(of%201968).)



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MCRC was the first in the state to develop a city-based Community Reinvestment Coalition in Baltimore City, *Reinvest Baltimore*. The coalition was comprised of neighborhood-based organizations, community development groups, housing organizations, and economic and racial justice nonprofits working together to advocate for reinvestment capital in the city. Bringing the needs of the community to regulators and banks ensures financial institutions are meeting their CRA obligations in a meaningful way. Members of *Reinvest Baltimore* participated in the SunTrust and BB&T merger, and were able to secure significant investment capital for their communities in the resulting Community Benefits Agreement (CBA). On a state-wide scale, utilizing the insight of programs and organizations already working to increase minority homeownership and investment in historically disinvested neighborhoods will generate long-term solutions for these systemic issues.

In addition to expanding and deepening investments in sustainable homeownership in majority-Black communities, it is also critical to include in the Workgroup policy and legal experts who can discuss predatory home mortgage products, and ensure that high-cost products, particularly those that have been aggressively marketed to Black and Latinx families are appropriately regulated in the future.

To add these voices to the work group we propose amending the current legislation.

**AMENDMENT:** INSERT SECTION 1, (B) (2) (V) AN EXPERT IN WORKING WITH THE COMMUNITY REINVESTMENT ACT (VI) AN ATTORNEY WHO WORK ON PROTECTING CONSUMERS FROM PREDATORY MORTGAGE PRODUCTS.

The creation of the Workgroup on Minority Homeownership, Neighborhood Revitalization, and Household Wealth Equity has the potential to make a significant difference in the state of Maryland by bringing to light the existing barriers that stand between minority households and wealth-building and homeownership opportunities.

For this reason, we support SB 117 with amendment and urge a favorable report.

Best,

Isadora Stern  
Economic & Tenants' Rights Organizer  
Maryland Consumer Rights Coalition