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MARYLAND HOUSE ENVIRONMENT AND TRANSPORTATION
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE
IN SUPPORT OF HB938: REAL PROPERTY TRANSFER-ON-DEATH DEED
TASK FORCE

FRIDAY, FEBRUARY 19, 2021

Chair Barve and distinguished members of the Committee, thank you for the opportunity to testify in support of House Bill 938.

My name is Timothy Chance, and I am the Tangled Title Attorney at the Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. MVLS was founded in 1981 by a group of concerned Maryland lawyers, legal services providers and leadership of the Maryland State Bar Association. Since then, our statewide panel of over 1,700 volunteers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY20, MVLS volunteers provided legal services to 4,459 people across the state. As part of our Advance Planning Project and My Home, My Deed, My Legacy Project, we encounter numerous clients facing economic barriers, such as probate fees and large property tax bills, which make it impossible to transfer property. For the reasons explained below, we respectfully request a favorable report on House Bill 938.

The Advanced Planning Project is an outreach effort designed to stabilize neighborhoods, preserve family assets and reduce the number of Baltimore City properties with deed and title entanglements that prevent homes from being in productive use. In conjunction with community partners across the city, MVLS is raising awareness about the importance of estate planning, especially in the context of community stabilization. As part of the My Home, My Deed, My Legacy Project, MVLS provides homeowner clinics to help Baltimore City residents

stabilize their homes, through estate planning discussions, and secure critically important resources, including the Homeowners' Property Tax Credit. One of the main focuses of these discussions is avoiding probate, through payable on death accounts, vehicle beneficiaries, and life estate deed. Although the clinics are focused in Baltimore City, MVLS's community outreach and provision of legal services on these issues are statewide as the challenges with deeds and estate administration is a statewide problem. Additionally, the My Home, My Deed, My Legacy Project provides continuing direct representation, both by volunteer attorneys and myself, to clients navigating the probate process.

Probate is a costly and time-consuming process. In addition to the fees associated with probate, it can cost several hundred dollars and take a minimum of nine months to open, administer, and close an estate. Our clients are homeowners who are facing financial hardship and they often do not have the resources to cover these expenses. It is imperative that they pass as many assets outside of probate as possible. MVLS provides a comprehensive estate planning approach that includes life estate deeds to protect the home for the client. Life estate deeds are an alternative to the client adding their children to the deed, which would open the client up to exploitation. Life estate deeds are a great tool to addressing the barriers that probate raises but they have their own challenges which include deed recording requirements and cost. Transfer-on-death deeds provide another alternative to the probate barrier for many of Maryland's most vulnerable residents. Transfer-on-death deeds provide a statutory form that will allow Maryland homeowners a more accessible vehicle to keep their homes in their families. Transfer-on-death deeds are worth exploring as an additional option because of the challenges. MVLS is committed to removing all barriers so that all Marylanders can participate in the judicial system and the creation of this task force would provide the opportunity to explore a tool to make the system more equitable.

MVLS supports HB938 because it would remove a huge barrier standing in the way of Maryland families' ability to sustain homeownership.

Mister Chair and members of the Committee, thank you again for the opportunity to testify.