



TESTIMONY IN SUPPORT OF SB 724

Mortgage Servicers – Requirements and Prohibitions During and After a State of Emergency and Catastrophic Health Emergency (Foreclosure Act of 2021)

Senate Judicial Proceedings Committee
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Submitted by Stacey Jefferson and Julia Gross, Co-Chairs

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Marylanders Against Poverty

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Marylanders Against Poverty (MAP) supports SB 724, which will extend a foreclosure moratorium through the state of emergency, require mortgage servicers to grant forbearance relief, ban late fees throughout the state of emergency, prohibit servicers from furnishing negative credit information to consumer reporting agencies related to mortgage payments during the state of emergency and up to one year after, and creates a private right of action for homeowners and small landlords to sue mortgage servicers who violate the law.

Low-income individuals and families in Maryland struggle to afford housing, especially during the COVID-19 pandemic. Maryland is the 8th most unaffordable state for housing, and unfortunately, the challenges of residing in a state with high living costs are borne disproportionately by low-income families.¹ Homelessness and housing instability are public health crises, and the failure of Maryland's safety-net systems to assist struggling low-income homeowners and small landlords has only been exacerbated by the pandemic. Sadly, Maryland's high rate of foreclosures has only continued during the pandemic: for the first six months of 2020, Maryland had the 4th highest foreclosure rate in the country.²

Strengthening and codifying foreclosure protections in Maryland will assist in the social and economic recovery from the pandemic. Without stable shelter, families are more susceptible to adverse childhood experiences, hunger, behavioral health crises, and poor health - including increased risk of contracting COVID-19. The pandemic has demonstrated the gaping holes in our safety-net programs, especially for people of color. Foreclosures and homelessness have a disparate impact on black and brown communities. Banning foreclosures during the duration of the pandemic, requiring forbearance relief, and prohibiting undue late fees and are tangible steps in the effort to dismantle the inequities born of structural racism and oppression in our housing and social safety net systems.

Foreclosure prevention is good for our communities, and good for our economy. Lack of permanent and safe housing places individuals at risk for other challenges such as finding employment, taking care of their families, and treating critical medical needs. Consequently, keeping families securely housed saves the state resources that would otherwise go to maintain shelters and state-funded safety-net programs.

Safe, quality, and affordable housing is the foundation of healthy communities, families, and individuals. **MAP appreciates your consideration, and strongly urges favorable report on SB 724.**

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.

¹ National Low Income Housing Coalition (2020). *Out of Reach*. <https://reports.nlihc.org/oor>

² Atom Data Solutions. (2020). US Properties with Foreclosure Filings in First Six Months of 2020.

<https://www.prnewswire.com/news-releases/165-530-us-properties-with-foreclosure-filings-in-first-six-months-of-2020--hit-all-time-low-301094464.html>