



TESTIMONY FOR SB0724
MORTGAGE SERVICERS – REQUIREMENTS AND PROHIBITIONS DURING AND
AFTER A STATE OF EMERGENCY AND CATASTROPHIC HEALTH EMERGENCY
(FORECLOSURE RELIEF ACT OF 2021)

Bill Sponsor: Senator Carter

Committee: Judicial Proceedings

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0724 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

The pandemic, and the associated economic downturn, has hit many individuals, families, and businesses very hard. Many have collapsed under the strain of having businesses force to shut down or open at a fraction of their capacity for extended periods, loss of jobs, cuts in pay, lack of child care, and other economic fallout. For many though, the worst aspect is to lose their home, and all of the years of effort they have put into paying down their mortgage, only to walk away with nothing.

This bill will support both individuals and businesses that are negatively affected by the state of emergency. It is in effect for up to two years after the emergency is declared over. It introduces the concept of a request for forbearance that a borrower can complete and provide to their mortgage servicer to get some relief from an eviction. It prohibits any mortgage servicer who is provided a request for forbearance by the borrower, from foreclosing against the property for up to 180 days. At the end of the forbearance period, the mortgage servicer will submit a notice to the borrower of the right to request further mediation. No notices to credit agencies regarding delinquency can be made and any mortgage payments missed will be added to the end of the mortgage contract. No additional fees or finance charges will be added to the loan.

This is exactly the relief that Marylanders need in these trying times. Allowing them a chance to get their finances back on track and not lose their home should be a top priority for the state.

We support this bill and recommend a **FAVORABLE** report in committee.