

**Senate Bill 724**  
**Mortgage Servicers – Requirements and Prohibitions During and After a State of  
Emergency and Catastrophic Health Emergency (Foreclosure Relief Act of 2021)**

Senate Judicial Proceedings Committee  
March 2, 2021

**Support**

**Catholic Charities of Baltimore strongly 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.

Inspired by the gospel to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. As the largest human service provider in Maryland working with tens of thousands of youth, individuals, and families each year, we see the traumatic impact of foreclosure and housing displacement every day. 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. COVID-19 has laid to bare longstanding inequities in our systems, including ongoing insecurity for working-class homeowners. We strongly support SB 724, and the examples below outline how we see this legislation benefiting those we serve:

**SB 724 will reduce the incidence and burdens of homelessness.** We provide homeless services across central and western Maryland, and often those we work with tell us their households spiraled into homelessness due to loss of housing, be it foreclosure or an eviction. The stories we hear from our clients mirror what national data shows: for the first six months of 2020, Maryland had the 4<sup>th</sup> highest foreclosure rate in the country.<sup>1</sup> Stable housing is a cornerstone of stable families, and this bill has many important provisions that protect Marylanders from foreclosures and hold mortgage services accountable to adhere to moratorium and forbearance orders during the public health crisis. Low-income homeowners and small landlords in Maryland need comprehensive protection and relief during COVID-19, like proposed in SB 724.

**Strengthening and codifying foreclosure protections in Maryland will assist in the social and economic recovery from COVID.** Without stable shelter, families are more susceptible to adverse childhood experiences (ACEs), hunger, behavioral health crises, and poor health - including increased risk of contracting COVID. 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.

**Emergency changes to our foreclosure process is sound fiscal policy.** Foreclosures further entrench families into homelessness, poverty, and economic instability, which are extraordinarily expensive to address. Maryland should be working to prevent loss of housing, especially among low-income households with children. Safe and reliable housing provides the stability needed to secure and maintain employment, promote good health, invest in educational opportunities and ultimately saves the state resources that otherwise go to maintain shelters and state-funded safety net programs. We know our individuals and families thrive in economically secure households with stable housing, and thriving families means a thriving economy.

**On behalf of the individuals and families we work with, Catholic Charities of Baltimore appreciates your consideration, and urges the committee to issue a favorable report for SB 724.**

Submitted By: Lisa Klingenmaier, Assistant Director of Advocacy

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<sup>1</sup> 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>