



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

March 02, 2021

SB 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

Position: Support

The Maryland Catholic Conference (“Conference”) represents the public-policy interests of the three Roman Catholic (arch) dioceses serving Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington.

Senate Bill 724 prohibits a certain mortgage servicer from commencing or completing an action to foreclose a mortgage or deed of trust during a state of emergency and catastrophic health emergency; requiring a servicer to grant a forbearance to a borrower under certain circumstances; prohibiting a period of forbearance from lasting more than 180 days except under certain circumstances; requiring a servicer to notify a borrower of a certain right to mediation under certain circumstances

Maryland faces a massive foreclosure crisis as foreclosure moratoria and forbearance provisions expire in 2021. As a result of the COVID-19 pandemic, an estimated 109-204,000 Maryland households were at risk of eviction at the end of 2020.¹ The struggle to maintain a home in a crisis has become undeniable. Maryland needs a fairer foreclosure process, one that focuses on housing stability instead of housing loss.

Recently several bishop chairmen of the U.S. Conference of Catholic Bishops (USCCB) wrote to all members of Congress addressing housing needs during the COVID-19 pandemic stating *“Ensuring stable housing is essential, especially during a public health crisis. Emergency rental assistance that meets today’s historic need is crucial in order to avoid evictions for tens of millions of people...to keep people safely housed until they are able to access these services, it is necessary to strengthen and extend eviction and foreclosure moratoriums and establish a national utility shutoff moratorium.”*

For this reason the Conference appreciates your consideration and urges a favorable report for Senate Bill 724.

¹ Stout Risius Ross, LLC, Estimation of Households Experiencing Rental Shortfall and Potentially Facing Eviction, <http://bit.ly/stoutevictiondata> (select “Maryland” in drop-down menu).