



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

TESTIMONY OF DELEGATE PAM QUEEN
HB 1150 – Commercial Law and Financial Institutions – Credit
Regulation – Shared Appreciation Agreements
SUPPORT

Greetings Chair Melony Griffith, Vice-Chair Katherine Klausmeier, and members of the Senate Finance Committee:

HB 1150 - Commercial Law and Financial Institutions – Credit Regulation – Shared Appreciation Agreements clarifies for consumers the practice of “shared appreciation agreements” by establishing a clear licensing and regulatory framework for oversight of these agreements, including disclosures and other consumer protections inherent in these complex transactions.

A “shared appreciation agreement” is a mortgage transaction in which a consumer homeowner agrees to share a percentage of the appreciation in the home's value with the lender in exchange for an advance of funds. The homeowner must repay the advance and the repayment amount depends on the value that the home changed since the loan's inception.

HB 1150 adds a statutory definition of "shared appreciation agreements" to Maryland law, affirming that those agreements are residential mortgage loans and that they are subject to both applicable mortgage loan laws and the regulatory authority of the Office of the Commissioner of Financial Regulation (“OCFR”).

This bill is supported by the OCFR and passed unanimously in the House Chambers. I seek a favorable Committee Report for HB 1150 from the Senate Finance Committee.