



January 31, 2024

Chairman CT Wilson
Room 231
House Office Building
Annapolis, Maryland 21401

Chairman Wilson, Vice-Chair Crosby, and Members of the Committee,

The MD|DC Credit Union Association, on behalf of the 70+ Credit Unions and their 1.9 million members that we represent in the State of Maryland, appreciates the opportunity to testify on this legislation. Credit Unions are member-owned, not-for-profit financial cooperatives that prioritize the financial well-being of their members. **We support this bill.**

This legislation is important as it seeks to exempt community development financial institutions (CDFIs) from the obligation to assess a borrower's ability to repay a mortgage loan when considering loan approval. This exemption may enhance access to capital for Maryland residents residing in underserved communities. CDFIs specialize in offering low-interest loans, coupled with essential financial education and business coaching, to these communities in need.

Currently, under the Maryland Mortgage Lending Law, mortgage lenders are mandated to evaluate a borrower's ability to repay the mortgage using several different metrics. While this serves an obvious purpose, to ensure a safe and sound financial landscape, there are instances where an exemption makes sense. Currently, applicants approved for government guaranty by the Federal Housing Administration, the Veterans Administration, the United States Department of Agriculture, the Maryland Department of Housing and Community Development, or the Community Development Administration fall under this exemption. If this increases the ability of CDFIs to assist potential mortgagees in achieving homeownership goals, thereby constraining credit availability in communities that need it the most, we see it as a worthwhile and safe exemption as well.

Thank you for your attention to this matter, and please do not hesitate to reach out if you require any further information or assistance.

Sincerely,

A handwritten signature in blue ink that reads "John Bratsakis". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John Bratsakis
President/CEO
MD|DC Credit Union Association