



Testimony offered on behalf of:
MARYLAND MORTGAGE BANKERS & BROKERS ASSOCIATION, INC.

IN SUPPORT, WITH AMENDMENT, OF:
HB0223 – Commercial Law – Mortgage Loans –
Verification of Ability to Repay

Economic Matters Committee
Hearing – 01/30/2024 at 1:00 PM

The Maryland Mortgage Bankers and Brokers Association, Inc. (“MMBBA”) SUPPORTS HOUSE BILL 0223, WITH AN AMENDMENT.

HB0223 brings Maryland in line with Federal Ability-to-Repay regulations and would give Maryland underserved communities the same homeownership opportunities as 43 other States.

Community Development Financial Institutions (CDFI) are exempt from Federal Ability-to-Repay rules. The Consumer Financial Protection Bureau (CFPB) granted this exemption, acknowledging that many consumers not only deserve the opportunity of homeownership, but can demonstrate a high likelihood of loan repayment despite an inability to conform to traditional Ability-to-Repay standards. CDFIs provide capital to the underserved communities in which many of these consumers reside. *The MMBBA supports the bill with an amendment to include mortgages in Maryland made under CL Title 12, Subtitle 1, which is where a majority of first mortgages originate.*

Maryland does not have this same exemption because Maryland enacted Ability-to-Repay rules before the Federal Government (2010 vs. 2013).

For these reasons, the MMBBA urges a **FAVORABLE COMMITTEE REPORT, WITH AN AMENDMENT, on House Bill 0223**

Respectfully submitted,

Brendan McKay, Co-Chair, MMBBA Legislative Committee
bmckay@mckaymtg.com (301) 520-5677