



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

Senate Finance Committee
Hearing – 03/20/2024 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

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