



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**Sponsor Testimony - Request for Favorable Recommendation**

Greetings Chair Pamela Beidle, Vice Chair Katherine Klausmeier, and members of the Finance Committee,

I seek a favorable recommendation for HB 223 - Commercial Law - Mortgage Loans - Verification of Ability to Repay. This bill will exempt mortgage loans made by Maryland Community Development Financial Institutions (CDFIs) from certain requirements to verify a borrower's ability to repay the loan, as outlined by the CFPB. CDFIs are community based financial institutions that are dedicated to promoting economic development by providing financial services to communities historically underserved by traditional financial institutions. As of 2023, there are 13 CDFIs headquartered in Maryland without this ability. This bill would improve the competitiveness of Maryland CDFIs, especially because federally chartered financial institutions already operate under this exemption.

This bill is consistent with prior legislation enacted to enable chartered banks in Maryland with this ability. HB 223 passed out of the House Chambers with a 110-28 favorable votes.

With the minor amendment for consistency, I again seek a favorable recommendation from this committee.

Cordially,

A handwritten signature in cursive script, appearing to read "Pamela E. Queen".