

**MMHA - 2025 - HB 273 - unpaid rent - JPR.pdf**

Uploaded by: Aaron Greenfield

Position: FAV



**Bill Title: House Bill 273, Residential Leases - Late Payment Penalties - Calculation**

**Committee: Judicial Proceedings Committee**

**Date: March 19, 2025**

**Position: Favorable**

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

House Bill 273 alters a prohibition concerning the maximum penalty for the late payment of rent that a landlord may charge in a residential lease to prohibit a penalty in excess of 5% of the amount of **the unpaid** rent rather than of the amount due.

When assessing a late penalty, housing providers should not charge the late fees on any rent that has been paid. That would be inappropriate. MMHA members currently only charge late fees on the unpaid rent amount; all housing providers should abide by the same practice, which is the proper method in current law.

For these reasons, the Maryland Multi-Housing Association respectfully requests a favorable report on House Bill 273.

Please contact Aaron J. Greenfield at 410.446.1992 if you have any questions.

**XHB273\_DHCD\_SUPPORT.pdf**

Uploaded by: Chuck Cook

Position: FAV

**DATE:** March 19, 2025

**BILL NO.:** House Bill 273

**TITLE:** Residential Leases - Late Payment Penalties - Calculation

**COMMITTEE:** Senate Judicial Proceedings Committee

### Letter of Support

#### **Description of Bill:**

Under current law, landlords can charge a fee of no more than 5% of the monthly lease amount if a tenant pays their rent late. House Bill 273 would restrict that late fee to only apply to the unpaid portion of the rent.

#### **Background and Analysis:**

The percentage of cost-burdened renters – those who spend more than 30% of their income on housing – in Maryland was 53.3% in 2023, according to Census data. Maryland is facing a housing crisis, and it is directly affecting the affordability of housing. The deficit of housing units inflates the price of rent throughout the state, with the Baltimore-Washington area already being one of the most in demand areas to reside in the country. In a state where rent commonly exceeds \$2,000, the additional expenses of a late fee in excess of \$100 can prove harmful to our already overburdened citizens who rent. Charging a late fee based on the portion of unpaid rent remaining, rather than the total amount due, decreases the load on Maryland renters. Moreover, from the perspective of landlords, it provides an economic incentive for renters to pay as much as they can before the due date, to decrease their late fee as much as possible.

#### **DHCD Position**

As we begin to correct the course on housing affordability, it is imperative that we put protections in place for those struggling to find or maintain housing. HB 273 provides additional relief for renters, without heavily impacting the housing providers in order to ensure our goal that all Marylanders have safe and affordable housing. For these reasons, The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on HB 273.

# **HB 273\_Crossover\_Consumer Protection Division\_Favo**

Uploaded by: Kira Wilpone-Welborn

Position: FAV



**CAROLYN A. QUATTROCKI**  
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*Deputy Attorney General*

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*Assistant Attorney General*

**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**

**ANTHONY G. BROWN**  
*Attorney General*

March 17, 2025

To: The Honorable William C. Smith, Jr.  
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General  
Consumer Protection Division

Re: House Bill 273 – Residential Leases - Late Payment Penalties - Calculation (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports House Bill 273 sponsored by Delegate Nick Allen. House Bill 273 clarifies that when calculating late fees under Section 8-208, the maximum late fee a landlord is permitted to charge is 5% of “the unpaid rent due.”

Landlord-tenant complaints are consistently among the top complaints received each year by the Division, including complaints about the misallocation of rental payments and excessive late fee charges. House Bill 273 clearly identifies that the maximum penalty a landlord can charge a tenant for unpaid rental amounts is 5% of the amount unpaid, instead of 5% of the full monthly rental amount. That clarification is consistent with the intent of Section 8-208 of the Real Property Article, which caps the late fee at 5% of the “rent due,” but some landlords misread the statute to permit the late fee to be based on the amount of rent that had been due. The clarification provided by House Bill 273 would assist the Division in mediating complaints from tenants and provide greater continuity for Maryland renters.

Accordingly, the Division requests that the Judicial Proceedings Committee give House Bill 273 a favorable report.

cc: The Honorable Nick Allen  
Members, Judicial Proceedings Committee

**HB0273-JPR-FAV.pdf**

Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT  
MAYOR

*Office of Government Relations  
88 State Circle  
Annapolis, Maryland 21401*

**HB0273**

March 19, 2025

**TO:** Members of the Senate Judicial Proceedings Committee  
**FROM:** Nina Themelis, Director of Mayor's Office of Government Relations  
**RE:** House Bill 273 – Residential Leases - Late Payment Penalties - Calculation

**POSITION: Support**

Chair Smith, Vice Chair Waldstreicher, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 273.

HB 273 alters a prohibition concerning the maximum penalty for the late payment of rent that a landlord may charge in a residential lease to prohibit a penalty in excess of 5% of the amount of the unpaid rent rather than of the amount due.

Baltimore City's Department of Housing and Community Development (DHCD) Office of Homeownership & Housing Preservation (HHP) supports new and existing homeowners through grant and repair work that, preserves affordable housing, prevents displacement and blight, builds equity for Baltimoreans, and stabilizes communities. DHCD also supports renters by sharing important information Renter's need to know about renting in Baltimore City, code requirements, understanding their rights as well as informing them about certain available legal resources and protections.

Our work with renters in Baltimore has shown that late fees can be an excessive burden to renters and often keep them in an overdue status when unable to pay and can potentially set them on the path for eviction for not being able to pay accrued late fees.

For these reasons, the BCA respectfully request a **favorable** report on HB 273.



**(Crossover) 3.17 HB 273 - Residential Leases - La**

Uploaded by: Tonaeya Moore

Position: FAV



**HB 273 - Residential Leases - Late Payment Penalties - Calculation**  
**Senate Judicial Proceedings Committee**  
**March 19, 2025**  
**SUPPORT**

Chair Smith, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 273. This bill addresses the unjust late fees for partial payments made by tenants who do their best to meet payment deadlines. Late fees should be proportional to the balance outstanding and capped at 5% of the amount of the unpaid rent rather than be determined by the full monthly rent.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

As the nonprofit administrator for Baltimore City's guaranteed income pilot program, The Baltimore Young Families Success Fund, CASH frequently worked with families who were especially vulnerable to falling behind on rent. Medical expenses, unexpected emergencies, and job insecurity often left these families unable to make full payments. Participants frequently faced difficult trade-offs, such as choosing between paying rent in full and covering essentials like food, transportation, or car payments needed to maintain employment.

Individuals and families who make partial rent payments should not face disproportionate penalties for their efforts to stay afloat. Those who are already struggling to afford their rent often face an even greater challenge when burdened with excessive late fees. At CASH, we consistently see that clients making partial payments demonstrate a genuine willingness and desire to pay their rent in full. However, unexpected emergencies and financial setbacks often make this impossible.

It is our responsibility to ensure these individuals are not pushed further into hardship. Disproportionate late fees exacerbate financial instability and contribute to the cycle of poverty. By addressing this issue, we can help create a system that supports, rather than punishes, those who are working to meet their obligations.

**Thus, we encourage you to return a favorable report for HB 273.**

*Creating Assets, Savings and Hope*