

MARYLAND REGISTER

Proposed Action on Regulations

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| Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations | Date Filed with AELR Committee | TO BE COMPLETED BY DSD |
| | 08/12/2015 | Date Filed with Division of State Documents |
| | | Document Number |
| | | Date of Publication in MD Register |
| | | |

1. Desired date of publication in Maryland Register: 9/18/2015

2. COMAR Codification

Title Subtitle Chapter Regulation

05 19 03 02, .03 and .05

3. Name of Promulgating Authority

Department of Housing and Community Development

4. Name of Regulations Coordinator

Mark S Petrauskas

Telephone Number

301-429-7487

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7800 Harkins Road

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Lanham MD 20706

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5. Name of Person to Call About this Document

Ramona Amin

Telephone No.

301-429-7473

Email Address

Ramona.Amin@Maryland.gov

6. Check applicable items:

- New Regulations
 - Amendments to Existing Regulations
 - Date when existing text was downloaded from COMAR online: July 27, 2015.
 - Repeal of Existing Regulations
 - Recodification
 - Incorporation by Reference of Documents Requiring DSD Approval
 - Reproposal of Substantively Different Text:
 - : Md. R
 - (vol.) (issue) (page nos) (date)
- Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

- Yes No

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

- OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.
- OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Ramona Amin, Assistant Attorney General, (telephone #301-429-7473) on July 29, 2015. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Kenneth C. Holt

Title

Secretary

Telephone No.

301-429-7452

Date

August 11, 2015

Title 05
DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT

Subtitle 19 HOMEBUYER EDUCATION AND COUNSELING

05.19.03 Foreclosure Prevention and Housing Counseling Grant Programs

Authority: Commercial Law Article, §12-1303; Housing and Community Development Article, §§2-102 and 4-507; Real Property Article, §7-105.1; Annotated Code of Maryland

Notice of Proposed Action

□

The Secretary of Housing and Community Development proposes to amend Regulations .02, .03 and .05 under COMAR 05.19.03 Foreclosure Prevention and Housing Counseling Grant Programs.

Statement of Purpose

The purpose of this action is to amend policies and procedures for making operating assistance grants under the Maryland Housing Counseling Fund (MHCF), and other housing counseling programs.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact.

The proposed action amends policies and procedures for making operating assistance grants under the Maryland Housing Counseling Fund (MHCF) and other housing counseling programs. The regulations would expand eligible activities under the operating grants to include homebuyer education and pre-purchase counseling and would expand clients served to include prospective homebuyers. The amendment will allow support for homebuyer education and counseling at all phases of the homebuying process. Local governments may benefit from expanded homebuyer education and pre-purchase counseling, resulting in better informed homebuyers and reducing the future risk of homeowner default and foreclosure, however the magnitude of this impact cannot be determined. The public will benefit from reduced risk of foreclosure and the potential destabilizing impact on families, communities and the local economy, however the magnitude of this benefit cannot be determined. Nonprofit housing counseling providers will benefit from the ability to support expanded services to clients, however the magnitude of this benefit cannot be determined.

| II. Types of Economic Impact. | Revenue (R+/R-) | |
|---|---------------------|----------------|
| | Expenditure (E+/E-) | Magnitude |
| A. On issuing agency: | NONE | |
| B. On other State agencies: | NONE | |
| C. On local governments: | (R+) | Indeterminable |
| | Benefit (+) | Magnitude |
| | Cost (-) | |
| D. On regulated industries or trade groups: | NONE | |
| E. On other industries or trade groups: | | |
| Non-profit Organizations | (+) | Indeterminable |
| F. Direct and indirect effects on public: | (+) | Indeterminable |

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

C. Local governments may benefit from expanded homebuyer education and pre-purchase counseling, resulting in better informed homebuyers and reducing the future risk of homeowner default and foreclosure, however the magnitude of this impact cannot be determined.

E. Non-profit housing counseling providers will benefit from the ability to support expanded services to clients, however the magnitude of this benefit cannot be determined.

F. The public will benefit from reduced risk of foreclosure and the potential destabilizing impact on families, communities and the local economy; however the magnitude of this benefit cannot be determined.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to John Papagni , Program Officer, Division of Neighborhood Revitalization, Department of Housing and Community Development, 7800 Harkins Road, Lanham, MD 20706, or call 410-209-5807 , or email to

John.Papagni@Maryland.gov, or fax to 410-685-8270. Comments will be accepted through October 19, 2015. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2016

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

Special Funds (Maryland Housing Counseling Fund). Sources include fees paid into the Fund by lenders from foreclosure filings and a separate grant from NeighborWorks America.

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

The regulations will expand eligible activities under grants awarded to nonprofit housing counseling agencies receiving operating assistance grants under the Maryland Housing Counseling Fund (MHCF), and other housing counseling programs. However, the regulations will not affect the type or amount of operating assistance provided.

G. Small Business Worksheet:

Attached Document:

Title 05 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Subtitle 19 HOMEBUYER EDUCATION AND COUNSELING

Chapter 03 Foreclosure Prevention and Housing Counseling Grant Programs

Authority: Commercial Law Article, §12-1303; Housing and Community Development Article, §§2-102 and 4-507; Real Property Article, §7-105.1; Annotated Code of Maryland

.01 (text unchanged)

.02 Objective.

The objectives of the Programs are to:

A. (text unchanged)

B. Make MHCF operating assistance grants to eligible entities that provide housing counseling services to *existing and prospective* owner-occupants of single-family properties [facing mortgage default or foreclosure] across the State; and

C. (text unchanged)

.03 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) – (5) (text unchanged)

(6) “Housing counseling services” means professional pro bono housing counseling services, including foreclosure prevention assistance, foreclosure mediation assistance, legal counseling, post-mitigation and foreclosure counseling, *loss mitigation and analysis assistance*, credit repair, financial literacy counseling, [and loss mitigation and analysis assistance] *homebuyer education and pre-purchase counseling* provided to mortgagors or grantors by the Eligible Entities.

(7) - (15) (text unchanged)

.04 (text unchanged)

.05 Eligible Use of Grant Funds.

A. (text unchanged)

B. MHCF grants may be used for costs associated with providing housing counseling services to *existing or prospective* owner-occupants of single-family properties across the State who are:

(1) Delinquent or are at risk of becoming delinquent on their mortgages; [and]

(2) At risk of default and foreclosure; *or*

(3) *In need of homebuyer education, housing advice or financial counseling.*

C. – D. (text unchanged)

.06 - .12 (text unchanged)