

HOUSE BILL 1370

N1

EMERGENCY BILL

1lr3073

By: **Delegate Jalisi**

Introduced and read first time: March 1, 2021

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Nonfederal Residential Mortgage Loans – Forbearance During a State of**
3 **Emergency and Catastrophic Health Emergency for COVID–19**

4 FOR the purpose of requiring, not less than a certain number of days before sending a
5 certain notice, a nonfederal mortgage lender or servicer of residential property to
6 notify a borrower of the borrower’s right to request a forbearance under certain
7 circumstances; authorizing a borrower to request a forbearance within a certain
8 number of days after receiving a certain notice; requiring, under certain
9 circumstances, a nonfederal mortgage lender or servicer of residential property to
10 grant a forbearance in a certain manner, suspend certain fees, penalties, and
11 interest, and defer certain payments until the end of the mortgage loan term;
12 prohibiting a nonfederal mortgage lender or servicer from requiring a borrower to
13 provide certain information and from assessing certain fees, penalties, and interest;
14 authorizing a borrower to request an extension of the forbearance period under
15 certain circumstances; authorizing a nonfederal mortgage lender or servicer of
16 residential property to grant a certain extension for a certain number of days;
17 making this Act an emergency measure; providing for the termination of this Act;
18 and generally relating to forbearances of nonfederal residential mortgage loans
19 during the state of emergency and catastrophic health emergency caused by the
20 COVID–19 pandemic.

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That:

23 (a) Not less than 60 days before sending a notice of intent to foreclose, a
24 nonfederal mortgage lender or servicer of residential property shall notify the borrower in
25 writing that, if the borrower is experiencing financial hardship due directly or indirectly to
26 the COVID–19 pandemic, the borrower may request a forbearance of not more than 180
27 days, regardless of delinquency status.

28 (b) (1) A borrower may request a forbearance within 90 days after the date on

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 which the borrower receives written notice in accordance with subsection (a) of this section.

2 (2) If a borrower requests a forbearance in accordance with paragraph (1)
3 of this subsection, the nonfederal mortgage lender or servicer shall:

4 (i) grant the forbearance;

5 (ii) suspend all fees, penalties, and interest on the borrower's
6 account; and

7 (iii) defer all of the payments that otherwise would have regularly
8 occurred during the forbearance period until the end of the mortgage loan term.

9 (3) During a period of forbearance granted in accordance with paragraph
10 (2) of this subsection, the nonfederal mortgage lender or servicer may not:

11 (i) require the borrower to provide information in addition to the
12 borrower's attestation of financial hardship due directly or indirectly to the COVID-19
13 pandemic; or

14 (ii) assess any additional fees, penalties, or interest.

15 (4) (i) A borrower may request an extension of the forbearance period
16 during the initial 180-day period of forbearance.

17 (ii) In response to a request from a borrower under subparagraph (i)
18 of this paragraph, a nonfederal mortgage lender or servicer may grant an extension of not
19 more than 180 days beyond the day that the original forbearance period expires.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
21 measure, is necessary for the immediate preservation of the public health or safety, has
22 been passed by a ye and nay vote supported by three-fifths of all the members elected to
23 each of the two Houses of the General Assembly, and shall take effect from the date it is
24 enacted. It shall remain effective through the state of emergency and catastrophic health
25 emergency due to the COVID-19 pandemic, and, at the termination of the state of
26 emergency and catastrophic health emergency, this Act, with no further action required by
27 the General Assembly, shall be abrogated and of no further force and effect.