

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1302 (Delegates Rosenberg and Ruff)
Environment and Transportation

Housing and Community Development - Housing Counseling

This bill requires a funding recipient, as a condition on the receipt of funding from the Department of Housing and Community Development (DHCD) for any project to construct, acquire, or rehabilitate residential property for use as housing, to agree to offer “housing counseling” services to prospective residents. Such services must be provided by housing counselors certified by the U.S. Department of Housing and Urban Development (HUD) and employed by an “approved housing counseling agency,” as defined. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Housing counseling” means counselor-to-client assistance that addresses unique financial circumstances or housing issues and focuses on ways of overcoming specific obstacles to achieving a housing goal.

Current Law: Among other responsibilities, DHCD administers several programs that provide financial assistance related to affordable housing. Examples of programs that

specifically award grants and loans for affordable single-family or multifamily housing are described in more detail below.

- *Partnership Rental Housing Program:* The Partnership Rental Housing Program is intended to expand the supply of affordable housing for low-income households. Among other potential program participants, DHCD is authorized to provide financial assistance to political subdivisions or housing authorities to acquire, construct, reconstruct, renovate, or rehabilitate rental housing that is affordable to households of limited income. The fiscal 2026 capital budget as introduced includes \$8.0 million in general obligation bonds for the program.
- *Rental Housing Program:* The Rental Housing Program is intended to, among other things, stimulate the production of rental housing and use available resources efficiently to serve households that are in need of quality affordable housing opportunities, including families, the elderly, and persons with disabilities or special needs. Loans may be issued to private or nonprofit sponsors, political subdivisions, or local housing authorities on behalf of sponsors of proposed rental housing units. The fiscal 2026 capital budget as introduced includes \$85.0 million in general obligation (GO) bonds, \$19.5 million in special funds, and \$9.0 million in federal funds for the program.
- *Baltimore Regional Neighborhood Initiative Program:* The Baltimore Regional Neighborhood Initiative (BRNI) Program is intended to, among other things, provide strategic investment in local housing and businesses to encourage healthy, sustainable communities with a growing tax base and enhanced quality of life. The fiscal 2026 capital budget as introduced includes \$27.0 million in GO bonds for the program.
- *National Capital Strategic Economic Development Program:* Similar to BRNI, the National Capital Strategic Economic Development Program also provides strategic investment in local housing and businesses to encourage healthy, sustainable communities with a growing tax base and enhanced quality of life. The fiscal 2026 capital budget as introduced includes \$12.0 million in GO bonds for the program.
- *Maryland Mortgage Program:* The Maryland Mortgage Program (MMP) provides below-market, fixed-rate mortgages through private lending institutions to low- and moderate-income households. The program is financed through the sale of mortgage revenue bonds, targeted to first-time homebuyers, and includes eligibility limits on both household income and the cost of the home. MMP has annual income requirements limiting who can apply for a loan through the program. Income requirements vary by location and whether the home is in a “targeted area.”
- *Down Payment and Settlement Expense Loan Program:* The Down Payment and Settlement Expense Loan Program (DSELP), a supplementary program to MMP, provides financing for down payment and settlement expenses to enable eligible homebuyers to purchase homes. An individual qualifies as an eligible homebuyer if

the individual (1) will purchase and occupy a single-unit principal residence and has household income not exceeding upper limits established by the Secretary of Housing and Community Development or (2) will purchase and occupy a residential building with no more than four units and agrees to rent all units other than the owner's unit to households with income not exceeding upper limits established by the secretary. Pursuant to Chapter 104 of 2018, a recipient of a loan under DSELP must complete homebuyer education.

U.S. Department of Housing and Urban Development – Housing Counseling

HUD sponsors housing counseling agencies throughout the country to assist individuals with, among other things, advice on buying a home. HUD housing counselors must be certified by HUD and prove competence in the following six areas: financial management; housing affordability; fair housing; homeownership; avoiding foreclosure; and tenancy issues. Generally, HUD housing counselors charge fees to clients for their services (*e.g.*, prospective tenants and homeowners); however, HUD guidelines require that any fee be waived if the client cannot afford to pay the fee. HUD also maintains a list of department-approved counseling agencies. As of February 2025, there were 44 [HUD-approved housing counseling agencies](#) in the State.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Howard and Prince George's counties; Maryland Association of Counties; Maryland Municipal League; Department of Housing and Community Development; U.S. Department of Housing and Urban Development; Department of Legislative Services

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