

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 343  
Economic Matters

---

**Housing Development Projects - Housing Counseling Services**

---

This bill requires a recipient 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. Beginning fiscal 2028 and annually thereafter, the Governor must appropriate \$200,000 to be used by community development organizations to partner with approved housing counseling agencies providing housing counseling services under the bill. **The bill takes effect July 1, 2026.**

---

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$200,000 annually beginning in FY 2028 due to the mandated appropriation. DHCD can administer the funding to community development organizations with existing resources. No effect on revenues. **This bill establishes a mandated appropriation beginning in FY 2028.**

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	200,000	200,000	200,000	200,000
Net Effect	\$0	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)

*Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**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:** A “community development organization” is a corporation, foundation, or other legal entity with the purpose of improving the physical, economic, or social environment of the area where it operates and for which no part of its net earnings inures to the benefit of a private shareholder or individual holding an interest in that entity.

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 2027 capital budget as introduced includes \$8.0 million in general obligation (GO) 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 2027 capital budget as introduced includes \$65.0 million in 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 2027 capital budget as introduced includes \$20.0 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 2027 capital budget as introduced includes \$20.0 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 2026, there were [10 HUD-approved housing counseling agencies in the State](#).

**State Expenditures:** No effect in fiscal 2027. General fund expenditures increase by \$200,000 annually beginning in fiscal 2028 due to the bill’s mandated appropriation. Although the bill does not specify to which agency or program the mandated appropriation is made, the bill is drafted to the Housing and Community Development Article. Therefore, this analysis assumes that DHCD receives the appropriation and must disburse it. DHCD can disburse the funding to community development organizations with existing resources.

## **Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 1302 of 2025.

**Designated Cross File:** None.

**Information Source(s):** Harford and Wicomico Counties; Maryland Association of Counties; Cities of College Park and Frostburg; Maryland Municipal League; Department of Budget and Management; Department of Housing and Community Development; Department of Legislative Services

**Fiscal Note History:** First Reader - February 2, 2026  
sj/mcr

---

Analysis by: Thomas S. Elder

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510