



House Bill 1099 – Housing and Community Development – Down Payment and Settlement Expense Loan Program – Homebuyer Education Requirements

Position: Oppose

Maryland REALTORS® oppose HB 1099 which would require homebuyers using the Maryland Mortgage Program to receive homebuyer education before signing a contract of sale.

In a perfect world, REALTORS® would agree that homebuyers should have homebuyer education before signing the contract, the REALTORS® know from experience that such a requirement will drive many homebuyers to opt out of the MMP program in order to pursue the property they want.

With reduced funding for housing counselors, many buyers are forced to wait before they can access counseling. Moreover, HB 1099 limits counseling to only HUD-approved counseling which would further limit the counseling opportunities for buyers and increase their wait even more. In healthy markets, properties in good condition sell quickly and many buyers will choose loan products that may not be best for them in order to avoid losing a property.

While housing counseling will give buyers important information that they can use in their home search, a buyer that avoids the MMP program to purchase a house with a conventional loan product will receive no counseling which is even worse. For these reasons, the REALTORS® recommend an unfavorable report.

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