



February 7, 2020

Chair Pendergrass  
Vice Chair Peña-Melnyk  
Health and Government Operations Committee  
House Office Building, Room 241  
Annapolis, Maryland 21401

**RE: HB243 - Cemeteries – Perpetual Care – Distribution from Perpetual Care Trust Fund**

Dear Chair Pendergrass, Vice Chair Peña-Melnyk, and members of the Health and Government Operations Committee:

This correspondence is to provide further context regarding the total return distribution method that the Maryland legislation is considering adopting. Regions Bank is a leading provider of trustee and fiduciary services in the death care industry with over \$4.5 billion in death care trusts. We currently are trustee for approximately 3,000 unique trusts located in 36 states.

Over the past few years, several states have enacted total return distribution legislation and subsequently, an increasing number of our clients have elected to implement the total return distribution method. In our view, this trend is due to the consistency the total return distribution method provides cemetery owners with respect to funds they are dependent on to adequately maintain their properties while simultaneously protecting and increasing the corpus of the trust over the long-term investment horizon of a perpetual care trust.

Our experience indicates that cemetery owners are finding it increasingly challenging to properly maintain their properties given the particularly low interest rate environment the US has been experiencing over the course of more than a decade (see enclosed publication, *Why Low Interest Rates are Hurting Cemetery Owners*). Accordingly, a total return distribution can offer cemetery owners stability in the form of consistent distributions calculated on a fixed percentage of the perpetual care fund's overall value while keeping pace with the increasing costs of maintaining a cemetery.

I hope the enclosed information is of benefit as you consider adopting the total return distribution method. Should you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "David Falconer, SVP".

David Falconer  
Senior Vice President, Funeral and Cemetery Trust Manager