



Testimony in SUPPORT of HB 1009: The Foreclosure Relief Act of 2021

Mary Bradford on behalf of Beyond the Boundaries

Position: FAVORABLE

Beyond the Boundaries is an Archdiocese of Baltimore program with members from churches throughout Maryland. We recognize the need for Catholic organizations to advocate for social justice, especially as it relates to stable and permanent housing. The United States Conference of Catholic Bishops has repeatedly stated that to effectively love our neighbor, we must care for the conditions in which they live, and we must acknowledge decent housing as a human right.¹ “Since decent housing is a human right, its provision involves a public responsibility.”² Such public responsibility includes providing Maryland tenant’s foreclosure protection and relief during the ongoing Covid-19 Crisis. Therefore, we urge the committee to vote favorably on HB 1009: The Foreclosure Relief Act of 2021.

Prior to the onset of the Covid-19 pandemic, Maryland had one of the highest home foreclosure rates in the nation.³ As of April 2020, while other states were seeing improvements in foreclosure rates, Maryland had the second highest foreclosure rate in the Country.⁴ When the forbearance moratorium expires, the rate will only increase. Maryland is in a housing crisis and homeowners deserve relief. HB 1009 will codify the foreclosure moratorium through the end of the state of emergency, require mortgage companies to extend forbearance relief, and provide default repayment options for those who have exhausted forbearance options. It will also prohibit accrual of penalties and interest, and provide for reasonable repayment options after the forbearance. Furthermore, for one year after the end the of state of emergency, HB 1009 prevents mortgage companies from reporting negative credit information related to mortgage payments subject to deferment. Finally, it will create a private right of action for homeowners to take against service providers who violate the law. These protections are necessary to ensure homeowners keep their homes during these unprecedented times.

We know that housing instability has lasting impacts. According to a 2009 report by the National Coalition for the Homeless “a full 79 percent of respondents stated that at least some of their clients were homeless as a result of foreclosure, and about half estimated that more than 10 percent of their clients were homeless because of foreclosure on a home they had been occupying.”⁵ Furthermore, “children who switch schools frequently due to instability or homelessness are more likely to struggle academically and display behavioral problems, less likely to graduate from high school, and earn less than their peers as adults.”⁶

¹ <https://www.usccb.org/resources/right-decent-home-pastoral-response-crisis-housing>

² <https://www.usccb.org/resources/right-decent-home-pastoral-response-crisis-housing>

³ <https://wtop.com/business-finance/2019/12/maryland-still-among-top-states-for-home-foreclosures/>

⁴ <https://www.attomdata.com/news/market-trends/foreclosures/attom-data-solutions-april-2020-u-s-foreclosure-activity/>

⁵ <http://www.nationalhomeless.org/advocacy/ForeclosuretoHomelessness0609.pdf>

⁶ <http://www.aspenepic.org/wp-content/uploads/2019/05/Housing-Affordability-and-Stability-An-EPIC-Challenge.pdf>

Furthermore, in 2019 nearly 10 percent of youth entered foster care due to their families experiencing housing instability.⁷

Maryland legislatures must act now. HB 1009 will ensure Maryland homeowners maintain their homes during this crisis and increase overall housing stability. It will provide struggling homeowners the assurances they need during these challenging times. As Pope Francis made clear during his visit to Washington DC in 2015, “There is no social or moral justification, no justification whatsoever, for the lack of housing.” Now is the time to fix Maryland’s massive eviction system. **We urge the Committee’s FAVORABLE report on HB 1009**

⁷ https://abell.org/sites/default/files/files/Baltimore%20RTC%20Report_FINAL_5_8_2020.pdf