



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

February 24, 2021

HB 1009

Mortgage Servicers - Requirements and Prohibitions During and After a State of Emergency and Catastrophic Health Emergency (Foreclosure Relief Act of 2021)

House Economic Matters Committee

Position: Support

The Maryland Catholic Conference (“Conference”) represents the public-policy interests of the three Roman Catholic (arch) dioceses serving Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington.

House Bill 1009 prohibits a certain mortgage servicer from commencing or completing an action to foreclose a mortgage or deed of trust during a state of emergency and catastrophic health emergency; requiring a servicer to grant a forbearance to a borrower under certain circumstances; prohibiting a period of forbearance from lasting more than 180 days except under certain circumstances; requiring a servicer to notify a borrower of a certain right to mediation under certain circumstances

As a result of the COVID-19 pandemic, an estimated 109-204,000 Maryland households were at risk of eviction at the end of 2020.¹ Meanwhile, 41 percent of Maryland renter households, pre-pandemic, were cost-burdened, meaning they paid 35% or more of their income for housing costs. In FY 2019, there were 669,778 eviction cases filed in Maryland – that is 5 cases filed per cost-burdened household. The struggle to maintain a home in a crisis has become undeniable. Maryland needs a fairer “Failure to Pay Rent” eviction process, one that focuses on housing stability instead of housing loss.

Recently several bishop chairmen of the U.S. Conference of Catholic Bishops (USCCB) wrote to all members of Congress addressing housing needs during the COVID-19 pandemic stating *“Ensuring stable housing is essential, especially during a public health crisis. Emergency rental assistance that meets today’s historic need is crucial in order to avoid evictions for tens of millions of people...to keep people safely housed until they are able to access these services, it is necessary to strengthen and extend eviction and foreclosure moratoriums and establish a national utility shutoff moratorium.”*

¹ Stout Risius Ross, LLC, Estimation of Households Experiencing Rental Shortfall and Potentially Facing Eviction, <http://bit.ly/stoutevictiondata> (select “Maryland” in drop-down menu).

For this reason the Conference appreciates your consideration and urges a favorable report for House Bill 1009.