



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**TESTIMONY OF DELEGATE PAM QUEEN**  
**HB 1213 – Determination of Credit Worthiness Alternative Methods**  
**SUPPORT**

Greetings Chair Delores Kelley, Vice-Chair Brian Feldman, and members of the Finance Committee:

This bill addresses inequities in access to capital, especially for home purchases due to methods of determining credit worthiness. In Maryland, the average homeownership is 66.9% whereas, homeownership for Blacks is 51.8% and for Hispanics is 52.9% as compared to 76.8% for Whites. Furthermore, the credit rating for Blacks is lower than other races.

According to the National Association of Real-Estate Brokers (NAREB) in Maryland loan denial rate for Blacks is 30.33% and for Hispanics is 22.20% versus 14.60% for Whites. Finding alternative ways to evaluate creditworthiness will improve these disproportional rates as highlighted in an article from the *Consumer Financial Protection Bureau (CFPB)* - <https://www.consumerfinance.gov/about-us/blog/using-alternative-data-evaluate-creditworthiness/>.

Homeownership has many benefits for the community, including less crime, better performance of children in school, a boost to local economies, and generational wealth is created. While there are inequities related to a racial wage gap that contributes to low credit ratings and subsequently low homeownership, researchers contend that pathways to homeownership which is essential for individual and societal benefits can be achieved with alternative methods of creditworthiness.

This bill pass unanimously from the House Economic Matters Committee and overwhelmingly passed out of the House Chambers. I seek a favorable recommendation for this bill to make homeownership a dream for all Marylanders.