



**House Bill 1213 – Financial Institutions - Determination of Creditworthiness
Alternative Methods**

Senate Finance Committee

March 30, 2021

Support

Introduced as a part of the Speaker of the House’s social justice agenda, HB 1213 - Financial Institutions - Determination of Creditworthiness - Alternative Methods requires State-chartered financial institutions (banking institutions, credit unions, savings and loan associations, and certain credit grantors) to consider alternative methods of evaluating the creditworthiness of an applicant for a primary residential mortgage loan or an extension of credit. The factors include the applicant’s (1) history of rent or mortgage payments; (2) history of utility payments; (3) school attendance; and (4) work attendance.

MBA worked closely with the bill sponsor and other stakeholders, including the Maryland Mortgage Bankers Association, Maryland/DC Credit Union Association, and non-bank lenders to develop amendments to align the bill’s requirements with existing federal regulations and to make it clear that the information listed in the bill must be verifiable and supplied by the applicant. The consensus amendments, were unanimously adopted the House Economic Matters Committee.

MBA fully supports the HB 1213, as amended by the House, and urges a favorable Committee report.