



Maryland Consumer Rights Coalition

Testimony to the Senate Judicial Proceedings Committee
SB724: Foreclosure Relief Act of 2021
Position: Favorable

March 2, 2021

The Honorable William Smith Jr., Chair
Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Judicial Proceedings Committee

Chair Smith and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in strong support of SB724.

SB724 would provide much needed protections for homeowners and small landlords faced with foreclosure during periods of state and local emergency. The COVID-19 pandemic has exacerbated pre-existing insecurity for working-class homeowners in our state. Even before COVID-19, Maryland consistently ranked among the top states for rates of foreclosures.¹ This bill is paramount in the time of the COVID-19 pandemic and would ensure that Maryland is prepared to respond to similar crises in the future.

As a result of the COVID19 pandemic, working families across the state lost 349,300 jobs in April and unemployment rose from 3.3 percent to 9.9 percent for the state.² Out of more than 170,000 businesses in Maryland, 30,000 closed by the end of 2020.³ Prior to the crisis, many households were living paycheck to paycheck. The sudden loss of jobs, the contraction of certain segments of

1

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

² <https://www.bls.gov/eag/eag.md.htm>

3

<https://www.wbaltv.com/article/11-tv-hill-maryland-small-businesses-fighting-to-stay-open-covid-19-pandemic/34943507>



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the economy, coupled with many households financial precarity creates a perfect storm for Maryland to endure another wave of foreclosures without swift and transformative legislative action.

Among the many provisions of the bill, SB724 would extend the foreclosure moratorium and require mortgage servicers to grant forbearance relief through the state of emergency, ease the repayment process, strengthen notice requirements, and hold servicers who violate the law accountable. Additionally, the bill would prohibit interest from accruing on a mortgage beyond the amounts scheduled under the terms of the loan during a state of emergency. These protections will help reduce the massive foreclosure crisis Maryland is set to face as the foreclosure moratorium and forbearance provisions expire in 2021. Without these provisions, thousands of homeowners are at risk of foreclosure and homelessness.

For all of these reasons, we support SB724 and urge a favorable report.

Best,

Marceline White
Executive Director