



Consumer Credit Counseling Service of MD & DE, Inc.
6315 Hillside Court, Suite B, Columbia MD 21046
P 410 747-2050 E info@cccsmd.org

Testimony HB 1178
Ways and Means
March 9, 2021
Position: FAVORABLE

Dear Chair Kaiser & Members of the Ways and Means Committee:

Since 1966, Consumer Credit Counseling Service of Maryland and Delaware, Inc. (CCCSMD) - a Maryland 501c3 non-profit housing and credit counseling agency - has provided Maryland residents with financial education, debt management solutions and budgeting tools to improve their financial well-being. As a HUD-approved National Intermediary, we provide HUD-certified courses and individual counseling services designed to help households achieve and maintain homeownership. Some homebuyer assistance programs require applicants to complete this type of training to be eligible for down payment assistance, including those offered as part of the Maryland Mortgage Program.

While Maryland's homeownership market has largely recovered from The Great Recession, potential homebuyers in some parts of Maryland continue to face difficulty when seeking a home loan. Most revealing are the demographic disparities that exist in the state's housing market today. These disparities are especially pronounced among Black households, whose homeownership rate, according to the 2020 Maryland Housing Needs and Assessment & 10-Year Strategic Plan, is 26 percentage points lower than white households. While minority participation in the Maryland Mortgage Program is above the statewide average for home ownership, clearly more needs to be done to assist this demographic.

This bill allows for a subtraction modification under the Maryland income tax for contributions to a certain first-time homebuyer savings account during the taxable year and certain earnings on the account; it also provides that an account holder may claim the subtraction modification under certain circumstances and provides that transfers of money to or from the account are subject to certain requirements and limitations. It would apply the Act to all taxable years beginning after December 31, 2020. This bill is consistent with CCCSMD's mission to improve the financial lives of the individuals and families we serve—over 50% whose incomes are below 50% AMI--and supports our vision to help transform communities where everyone has a chance to become financially independent.

We respectfully request a favorable report for HB 1178.

Sincerely,

Helene D. Raynaud
President/CEO