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The Honorable Anne Kaiser, Chairperson  
House Office Building  
Ways and Means Committee  
6 Bladen Street  
Annapolis, MD 21401

**RE: Testimony of Maryland Legal Aid in Support of House Bill 1234 –  
Homeowners Property Tax Credit – Eligibility and Automatic Renewal**

Dear Chairperson Kaiser and Members of the Committee:

Thank you for the opportunity to provide testimony in support of this important bill. Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents, including abused and neglected children, nursing home residents, and veterans. With 12 offices serving residents in each of Maryland's 24 jurisdictions, MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law, and criminal record expungements to remove barriers to obtaining child custody, housing, driver's licenses, and employment.

This letter serves as notice that Louise Carwell, Esq. will testify on behalf of MLA in support of HB 1234 at the request of Delegate Jessica Feldmark. MLA represents clients with tax sale, housing and foreclosure issues across the State of Maryland. The majority of MLA clients are eligible for the Homeowners Property Tax Credit, which significantly reduces, if not eliminates, their property tax bill and often prevents their homes from going into foreclosure or tax sale. MLA has many clients, especially elderly and disabled clients, who face foreclosure or tax sale simply because they forgot to apply or reapply for their Homeowners Property Tax Credit. MLA attorneys attempt to prevent this from happening by sending out the application with instructions every year, but some clients still are unable to apply.

HB 1234 would prevent this from happening. HB 1234 would only require that a homeowner submit the application once, and then after that, they would be eligible every year, as long as their financial information did not change. This would prevent an eligible homeowner from being penalized for simply failing to resubmit their application and would ensure that all homeowners receive the tax credit that was designed to make homeownership affordable.

HB 1234 would also assist lenders and local and county governments by preventing residential properties from falling into tax sale and mortgage foreclosure. Many low income homeowners with no mortgage or escrow account miss the deadline to reapply for the tax credit. Elderly homeowners with home equity conversion mortgages

(HECM) or reverse mortgages fail to apply for this program and also face foreclosure, because failure to keep current on taxes is a default under the HECM.

MLA regularly assists homeowners in this situation to apply for their credits late, which does prevent them from losing their home, but sometimes they have to pay attorneys fees and associated costs along with the default amount. In addition, if this has happened for multiple years, it may result in a homeowner having to file a Chapter 13 bankruptcy to save their home from foreclosure. Allowing a homeowner to apply once for the tax credit and receive it automatically year after year will go a long way towards alleviating this problem.

HB 1234 is a strong piece of legislation that will help low-income homeowners avoid unnecessary foreclosures and tax sales, and also help them pay only the property taxes that they reasonably should be required to pay each year.

Thank you for providing MLA the opportunity to comment on this important piece of legislation. **Maryland Legal Aid supports HB 1234 and asks that this committee give it a favorable report.**

/s/ Louise Carwell

Louise Carwell

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