

KATIE FRY HESTER
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Education, Health, and
Environmental Affairs Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB814 - Public Safety - Resilient Maryland Revolving Loan Fund - Alterations

03/01/2022

Chairman Guzzone, Vice-Chair Rosapepe, and members of the Budget and Taxation Committee, thank you for your consideration of SB814. Last year, Maryland became a national leader by establishing the Resilient Revolving Loan Fund.

One of the questions I get asked most often is “When can I apply for a loan?” The short answer is that we were ahead of our time, and have been waiting for the federal government to promulgate regulations. Therefore, this year, I am here with a few small changes, aligned with federal developments, to ensure that it is set up and operational as quickly as possible.

Senate Bill 814 makes the following small changes to the already established Resilient Revolving Loan Fund:

- 1) Following the passage of the national STORM act, the financial industry has expressed interest in loaning hundreds of billions of dollars to increase available funds for retro-fitting buildings against natural hazards. SB814 will allow Maryland to leverage these private dollars by establishing a new restricted fund within the original loan program, specifically for private capital directed towards the retro-fitting of buildings.
- 2) Secondly, while the Revolving Loan Fund provides low- to no-interest loans, payments may still be out of reach for many of our low-income families in Maryland. Therefore, SB814 adds a provision to allow for loan forgiveness under certain circumstances.

- 3) Finally the bill makes administration of the fund an eligible cost so that MDEM can hire its administrative staff. Under the wisdom and foresight of this committee, a position was originally added to the Department of Emergency Management in order to manage the fund; however, since administration of the fund was not included as an eligible usage of the fund, they were unable to hire for the position.

With these changes, Maryland can double down on its investment, use state funds to leverage private funds, and bring the nation's first resilient loan fund into better alignment with the federal regulations. **With this bill we can make the first resilient loan fund in the United States even better. For these reasons, I respectfully request a favorable report on Senate Bill 814.**

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester". The signature is written in a cursive, flowing style.

Senator Katie Fry Hester
Carroll and Howard Counties