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Judiciary Committee



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 22, 2022

The Honorable Delegate Kumar P. Barve

Chairman of the House Environment and Transportation Committee

6 Bladen Street, Room 251

Annapolis, Maryland 21401

House Bill 803

Good afternoon, Chair Barve, Vice Chair Stein, and members of the House Environment and Transportation Committee. I am Delegate Nicole Williams of District 22, and I will be testifying in favor of House Bill 803, also known as Residential Property Foreclosure - Filing and Adjudication of Counterclaims. This legislation would provide a homeowner who is facing foreclosure an additional opportunity to present any counterclaims or crossclaims that they may have against the plaintiff.

For most Marylanders, the purchase of their home is their greatest personal investment. We saw during the pending COVID-19 pandemic that for some Marylanders, the ability to continue to pay their mortgage and to protect their greatest investment was in peril due to job loss or a reduction in hours. While on the State level we know how the homeowner assistance fund helps struggling homeowners, the fund does not curtail the filing of foreclosure proceedings. In fact, with the expiration of the Federal Consumer Financial Protection Bureau moratorium on foreclosure sales on December 31, 2021, the number of foreclosure filings in the month of January 2022 increased. This bill is an effort to acknowledge what we will see coming down the road, with the expectation of an uptick in the number of foreclosure filings in the state over the coming months. This bill grants homeowners the option to file a counterclaim within 15 days after the postfile mediation, also known as loss mitigation, if it is not successful. In doing so, proceedings can then be evaluated in the same manner as it would under the Maryland Rules and adjudicated by a fact finder.

This bill builds on the previous foreclosure reforms enacted several years ago and will provide a homeowner with another opportunity that they might not initially exercise upon being served with the initial complaint. This is because the homeowner may have been hoping, in good faith, to try and come to an agreement with the lender and not want to proceed forward with the pending litigation. This is especially true for litigants who represent themselves, or pro se, and are likely not aware of the Maryland Rules and the tight timelines associated with filing such claims.

By affording homeowners with this additional opportunity in the event of a foreclosure, we can ensure that homeownership is something that is sustainable for more Marylanders as we work to emerge from this pandemic.

For these reasons, I urge this committee to give a favorable report on House Bill 803.

Sincerely,

A handwritten signature in black ink that reads "Nicole A. Williams, Esq." The signature is written in a cursive, flowing style.

Delegate Nicole A. Williams, Esq.