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February 22, 2022

The Honorable Kumar P. Barve
Environment & Transportation Committee
Room 251
House Office Building
Annapolis, Maryland 21401

**Re: Testimony in Support of House Bill (HB) 674 - Stay of Eviction
Proceeding for Rental Assistance Determination**

Dear Chairman Barve and Members of the Committee,

Thank you for the opportunity to testify 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. MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law (e.g., bankruptcy and debt collection), and criminal record expungements to remove child custody, housing, and employment barriers. Maryland Legal Aid supports HB 674 and asks that this committee give it a favorable report.

This letter serves as notice that Jamie Miliman, Esq. will testify in support of HB 674 on behalf of Maryland Legal Aid at the request of Delegate Vaughn Stewart. The Emergency Rental Assistance Programs (ERAP) that were set up as a result of the loss in income and therefore increased threat of homelessness created due to the COVID-19 pandemic, have been an essential lifeline to Maryland's most vulnerable families. According to the Maryland Department of Housing and Community Development's Emergency Rental Assistance Dashboard¹, between January 1, 2021 and December 31, 2021, ERAP providers throughout the entire State received 72,450 applications requesting rental assistance. Of the 72,450 applications processed, ERAP providers assisted 40,095 households in distributing \$249.1 million toward rent for low-income tenants who have been unable to pay their rent due to a COVID-19 related loss of income within their household. This translates to prevention of homelessness for countless people thought the State.

¹
<https://app.powerbigov.us/view?r=eyJrIjoiZDliMTA3YzUtMDBiMi00NmJlThlZmMtYzMyMTkwZTFiY2NiIiwidCI6IjdkM2I4ZDAwLWY5YmUtNDZlInY05NDYwLlRlZjJkOGY3MzE0OSJ9>

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In February 2022, the Maryland Department of Housing and Community Development announced that an additional \$204 million would be allocated to ERAP, also known as Funding Phase II. As such, rental assistance is a continuing reality in Maryland.

Meanwhile, failure to pay rent eviction cases continue to be heard daily in Maryland District Courts. I work as an attorney in MLA's Lower Eastern Shore Office, representing tenants in Wicomico, Worcester, Somerset, and Dorchester Counties. In these four counties, when a landlord files an action against a tenant, the case is typically set for a hearing within two to three weeks, both pre-pandemic and currently. Despite the Court of Appeals' Administrative Orders dated December 27, 2021 and extension thereof on January 14, 2022, requiring Maryland State Courts to revert to Phase III of re-opening operations and limiting in-person matters heard, which excludes hearing failure to pay rent cases during this time, due to the surge in COVID-19 cases, the District Courts in these four jurisdictions have continued to hear failure to pay rent cases.

For example, on January 7, 2022, Dorchester County District Court heard 17 failure to pay rent cases in its single courtroom. Some of those cases were filed by the landlord on December 29, 2021, just 8 days before the hearing and 2 days after the Court of Appeals' Administrative Order. In fact, all failure to pay rent cases on the January 7 docket were filed by the landlord on or after December 17, 2021. In many of the cases heard that day, a judgment for possession was entered in favor of the landlord. In many of those cases, a warrant of restitution was ordered on January 14, 2022². One such case, which was filed on December 22, resulted in eviction on January 26, 2022³. Another case, filed on December 23, resulted in eviction on January 26 as well⁴. That's how quickly the eviction process works in Dorchester County.

Somerset County District Court is another example of how quickly Courts hear eviction proceedings and tenants are evicted. On February 14, 2022, despite the Court of Appeals' Order reverting State courts back to Phase III, Somerset County District Court heard approximately 50 cases on its failure to pay rent docket in its single courtroom. Similarly, on January 24, 2022, Somerset County District Court had approximately 53 failure to pay rent cases scheduled for hearing that day. In many cases, judgment for possession was entered in favor of the landlord. Some of these cases were filed as recently as December 29, 2021. In some cases, warrants for restitution have been ordered, as recently as February 9, 2022.

As previously stated, on the Eastern Shore, hearings are scheduled within two to three weeks from the filing date. Factoring in Maryland's new 10-day notice requirement, this gives tenants less than one month to apply for and obtain rental assistance. If the tenant fails to get the assistance in time, a judgment for possession is entered against them, leading to eviction within weeks. In my experience, the ERAP process in Wicomico County, from the time the application is filed to approval (the final process before payment) takes approximately 4-6 weeks for new applicants and 2-3 weeks for returning applicants. The payment takes an additional 1-3 weeks. There are hundreds applications for the ERAP providers to process. ERAP prioritizes pending evictions and processes the applications at a much faster speed, setting aside the applicants who have been waiting to receive assistance but are not pending imminent eviction, but only if the

² See, for example, RIG Holdings, LLC v. Deborah Denson, D-021-LT-21-000628.

³ Cambridge Rentals LLC vs. Tyanthia Johnson, D-021-LT-21-000614.

⁴ BST Properties vs. Janasia Boyd, D-021-LT-21-000617.

provider learns of the pending eviction in time. Despite our ERAP providers working quickle and efficiently, because of the wait, tenants that would otherwise qualify for and receive rental assistance are evicted. In many cases, landlords that have already agreed to accept rental assistance funds refuse to wait the few extra weeks to be paid what could be thousands or, as I have seen, tens of thousands of dollars. HB 674 gives more time for rental assistance to be awarded, preventing unnecessary evictions.

This bill also prevents unnecessary evictions by requiring landlords to accept rental assistance. When filing a failure to pay rent eviction, a landlord demands that the tenant pay the amount owed or be put out of their home. Currently, if a tenant were to independently attempt to pay the rent owed and the landlord refused, the landlord has a legal duty to accept it. However, at this time landlords are not required to accept rental assistance money after filing for a failure to pay rent eviction.

While many landlords are willing to accept rental assistance, some landlords refuse. These landlords often claim that they are subject to limitations on their ability to evict tenants in the future. Most rental assistance agreements include a landlord's commitment not to evict the tenant for 90 days following the monetary award date. The proposed legislation is limited to failure to pay rent evictions. This legislation does not prevent landlords from choosing to provide proper notice to end a lease and evicting the tenant through a tenant holdover action. Maryland recently implemented a 60-day notice to terminate an expiring or expired lease. Further, under the proposed legislation, rent remains due following the receipt of rental assistance, and landlords retain the ability to seek out compensation for rent that is not paid during this 90-period.

In sum, HB 674 is narrowly focused on getting rent money into the hands of landlords, which is what they are demanding by filing a failure to pay rent eviction. As a result, fewer Maryland families will face eviction. MLA respectfully requests that you provide a favorable report on HB 674.

Sincerely,

/S/ *Jamie D. Miliman*
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