

REGIONAL MANAGEMENT, INC.
TESTIMONY IN OPPOSITION HB 367-Landlord and Tenant
Repossession for Failure to Pay Rent – Rental Assistance Programs

For over 60 years Regional Management, Inc., a founding member of the Maryland Multi Housing Association, has managed over 5,000 affordable, unsubsidized rental homes for Baltimore City and County residents. We voluntarily serve lower and middle income customers because that is our mission and market niche and we provide these services without taking any Government tax breaks or requiring our customers to seek any government subsidies. Our rentals are well planned, sustainable, multifamily garden and townhouse style housing and at an average age of 40 years old, all of these units remain attractive, affordable and well maintained. Our staff members take pride in serving our customers and we have continued to provide excellent service throughout the pandemic regardless of the fact that even with the help provided by rental assistance programs, **we have experienced a rent delinquency rate of 20-25%.**

RMI has supported its delinquent tenants in seeking all forms of rental assistance that have been offered by government and nonprofit entities throughout the pandemic period including the CARES Act and the Emergency Rental Assistance Program (ERAP). However, the premise of HB 367- that a Landlord must apply for rental assistance FOR its tenants is totally unworkable and, in fact, is simply a Trojan Horse designed to force Landlords into waiting even longer to be able to seek redress for unpaid rent through the only legal avenue we have available-filing in Court.

A. Housing Providers Have NO Access to Tenant’s Personal Information Needed to Complete Rental Assistance Applications

1. Let’s be clear – RMI knows of no tenant rental assistance program that allows “the Landlord” to submit applications on the tenant's behalf.
2. Even if there were such a program “the Landlord” has no access to tenant’s personal data to fill out the tenant information required in current rental assistance applications, which include:
 - a. Confirming loss of income due to CoVid and verifying that the tenant qualifies and meets even the minimum threshold of eligibility. For example, the Landlord has no way of knowing if they had their hours reduced at work, lost their job, had child care issues due to school closures, contracted CoVid or cared for someone who did.
 - b. It’s easy to say “just call or go to them and ask”, however, unfortunately we receive no response, no information or experience unkept commitments to supply such information to support the qualifying hardship.
 - c. In addition, the Landlord must have the tenant’s cooperation in the early stages of the application process, because the applications must include W-2's, paystubs, and supplemental food assistance award information.

B. HB 367 Fails to Recognize the Proactive Support that RMI and a Host of Other Housing Providers Have Given Residents in Seeking Rental and Other Assistance During the Entire Pandemic Period.

While Tenant Lobbyists clamor that the only thing Landlords have done during the Pandemic is attempting to evict Tenants for nonpayment of rent, RMI and myriad other Housing Providers have spent countless

hours of staff time and resources notifying their delinquent tenants every time that a rental assistance or other program providing assistance funds became available by:

- Hand Delivering Notice of the program's availability and requirements including blank applications, eligibility forms and whatever information that they require of the tenant.
- Negotiating Landlord Agreement Contracts - In our experience there is no "standardized form" for any of these programs, each program has its own unique rules and expectations, thus we must negotiate each agreement individually with each program.
- It is worth noting that that a Landlord's consent to the terms of these Agreements is entirely voluntary. Every one of these agreements however, require that the landlord forego rent collection and other rights if the tenant qualifies for assistance for varying periods of time and many have had unconscionable terms which Landlords simply cannot afford to agree to.
- Assisting tenants to complete their part of the application by having computer and internet service available at our rental offices, training our rental office staff about the program and how to fill out the forms for the resident.
- Providing all information that is required from the Landlord including Leases, Ledgers, W-9 Forms and Landlord Agreements

In RMI's case we have 3 fulltime staff members in our Operations Department who have spent over 80% of their time since the Pandemic began coordinating these procedures for and with our tenants and Program staff. They contact the Program staff and work directly with them to assure that each application is correct and complete. When they are not they contact the tenant to get them to provide missing information.

C. Results of These Efforts

Seven hundred seventy-seven (777) of RMI's delinquent tenants have participated in at least one assistance program. Disappointingly however, this number represents only 65% of our total delinquency base. The inexplicable truth is that the other 35% have ignored the opportunity that our governments and RMI have offered. They neither communicate with RMI nor pay their rent and because of court closure's and extended trial dates they are living in RMI rental property without RMI having any viable avenue of recourse.

RMI's experience is not unique and demonstrates that HB 367's proposals are unreasonable and unnecessary.

Thus, RMI requests an UNFAVORABLE Report on HB 367.

Respectfully submitted;


Katherine Kelly Howard, Esq, General Counsel for Regional Management, Inc.