



HB 674 - Landlord and Tenant - Stay of Eviction Proceeding for Rental Assistance Determination
Environment and Transportation
February 22, 2022
SUPPORT

Chair Barve, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 674. This bill will protect renters from evictions.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Maryland has unprecedented funding to prevent evictions. Every dollar of our [estimated rent debt of \\$392 million](#) (Dec. 2021) can be paid by local emergency rental assistance programs (ERAPs) that have scaled up over the past year and still have [\\$466.5 million in funding](#). Yet, in the second half of 2021, there were nearly 27,000 eviction cases filed for non-payment of rent per month. **In that time, 705 households were evicted per month.**

HB 674 provides a structural fix by:

- 1. Providing the Court Authority to Temporarily Pause the Eviction Process.** Right now, there is no statutory authority for the Court to pause the eviction process related to rent assistance. This sets up a nightmarish race between the ERAP agency/tenant and the eviction process. HB 674 mandates a stay on Failure To Pay Rent proceedings, on a case-by-case basis, if a judge determines that a good faith rental assistance application to resolve the debt is pending. *No one should be evicted when there is money to pay the rent – especially during a pandemic.*

DECEMBER 2021

105,000

**MD HOUSEHOLDS
BEHIND ON RENT**

The Household Pulse Survey (Week 41) estimates that **62% of Maryland renters feel "very" or "somewhat" likely to be evicted** in the next 2 months. These renters are disproportionately people of color, and the majority have children in their households. Here's what else we know about them:

- 97%** have a household income under \$50,000
- 84%** lost employment income in the past 4 weeks
- 88%** borrowed from friends/family to meet spending needs in the past 7 days
- 14%** used their Child Tax Credit payment to meet spending needs in the past 7 days



73%

of surveyed pro bono attorneys in Maryland reported that in some, most, or all of their cases, **renters faced eviction while waiting** for Emergency Rental Assistance.

63%

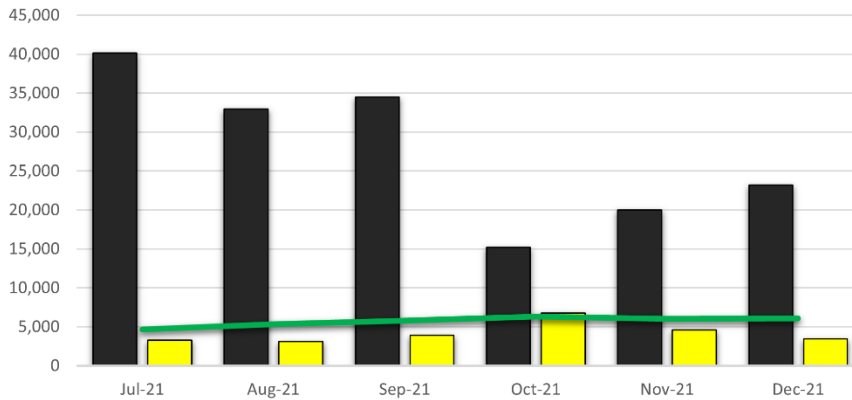
of surveyed pro bono attorneys had cases in which renters **faced eviction after their landlords refused** to accept Emergency Rental Assistance.

- 2. Incentivizing Landlords to Accept Rental Assistance.** Numerous landlords – both large corporations and smaller operators – are refusing to accept rental assistance. Some refuse it across the board. Others pick winners and losers – accepting the rental assistance for some who they like and refusing it for others. If the landlord wants to use a state-funded judicial process to collect the rent, they should be required to accept rental assistance. *No one should be evicted when there is money to pay the rent – especially during a pandemic.*

Creating Assets, Savings and Hope



Court filings for FTPR evictions far exceed ERAP capacity



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
FTPRs Filed	40,172	32,978	34,525	15,234	20,029	23,183
Est. FTPR Warrants*	3,269	3,125	3,895	6,741	4,582	3,440
ERAP Households Served	4,646	5,333	5,800	6,343	6,032	6,075

FTPRs Filed Est. FTPR Warrants* ERAP Households Served

under HB18 (Oct. 2021), that ratio was still approximately **4:1**.

3. Aligning The Pace of Rental Assistance with Eviction Processes For Fairness and Efficiency. Even as local rental assistance programs have worked overtime to innovate solutions that make landlords whole while keeping residents housed, they were exceedingly outpaced by eviction filings. In July 2021, the ratio of FTPR eviction filings to households served by ERAPs was nearly **9:1**. Even with the incredible ramp-up effort over summer and fall, plus the implementation of new notice requirements

Amid this tide of eviction litigation, ERAP programs have had to prioritize applications in which tenants face pending evictions. They have collaborated with local sheriffs to identify addresses slated for eviction. The work of distributing federal relief funds broadly has become the urgent triaging of scheduled evictions. The cost of this dynamic has been to place timely applications on hold, to have tenants waiting months for assistance, until they are on the brink of losing their home. This is not fair or efficient. It rewards landlords who aggressively pursue eviction by pushing them to the front of the line while leaving behind those landlords who are cooperating with ERAP programs. HB 674 would remove that incentive for landlords to aggressively pursue eviction because the Court could pause the eviction while a good faith rental assistance application is pending. *No one should be evicted when there is money to pay the rent – especially during a pandemic.*

4. Adopting a National Best Practice of Pausing Eviction for Rental Assistance.

HB 674/SB 384 adopts a best practice learned in the wake of COVID-19 that has been adopted in some form by at least **16 other states**. "Eviction stays are a critical intervention that delay final judgment and give renters the opportunity to apply for ERA and avoid evictions." - **National Low Income Housing Coalition**

[At least 16 other state and local jurisdictions have enacted protections for tenants who have applied for rental assistance by temporarily staying the eviction process.](#) Additionally, some states have issued guidance that landlords who refuse rental assistance violate the state’s source of income law. *No one should be evicted when there is money to pay*

the rent – especially during a pandemic.

For these reasons, we encourage a favorable report on HB 674.

Creating Assets, Savings and Hope