



Testimony HB 1038
Judiciary Committee
March 2, 2022
Position: FAVORABLE

Dear Chairman Clippinger & Members of the Judiciary Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

HB 1038 – Requires the low income and vulnerable individuals have access to legal representation in certain foreclosure proceedings; establishing the Access to Counsel in Foreclosure Proceedings Program; requiring the Maryland Legal Services Corporation, under the Program, to provide access to legal representation to certain individuals in certain foreclosure proceedings under certain circumstances; altering a certain filing fee in a foreclosure action and directing a portion of that filing fee to a certain special fund; etc.

CDN would respectfully requests that you add to the list of the groups represented on the Foreclosure Access to Counsel Task Force— rather than community groups please add “HUD certified Housing Counseling Agencies.”

According to analysis by the National Community Stabilization Trust (NCST) and the National Fair Housing Alliance (NFHA) during the Great Recession, millions of homeowners nationwide lost their homes to foreclosure. While vacancy blighted many neighborhoods, tight access to credit locked many prospective buyers out of the market. As a result, foreclosed properties were overwhelmingly sold to investors, and ultimately thousands of homes transitioned from owner-occupied to investor-owned rental homes. These trends were even more concentrated in communities of color, sending the homeownership rates for both African Americans and Latino Americans tumbling. Today, we face a different housing crisis. The COVID-19 pandemic is wreaking havoc on Americans' health, well-being, and employment.

There is an urgent need to prevent unnecessary foreclosures and home loss and to ensure vacant properties do not blight communities. Access to counsel for foreclosure proceedings can prevent the COVID-19 crisis from devastating homeownership and further undermining racial equity and generational wealth throughout the state.

We urge your favorable report for HB 1038.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network