



Testimony offered on behalf of:
MARYLAND MORTGAGE BANKERS & BROKERS ASSOCIATION, INC.

IN OPPOSITION OF:
**SB0563 – Tax Sales- Property Maintenance and Nuisance Condition Violation
Judgments and Foreclosure Proceedings**

Senate Budget & Taxation Committee
Hearing: 2/22/2023 at 1:00 PM

The Maryland Mortgage Bankers and Brokers Association, Inc. ("MMBBA") **OPPOSES**
SB0563.

SB0563 would enable a judgment in favor of a political subdivision for real property maintenance or nuisance conditions to be regarded as a tax. This would elevate the priority position of such a judgment to be ahead of deeds of trust and mortgages. Lines 26 and 27 and line 30 on page 2 are confusing as to whether the first lien created by this type of judgment would be ahead of a first mortgage or deed of trust.

Regardless of this point, the type of judgment addressed in SB0563 would prime second mortgages, other junior liens, and Home Equity Lines of Credit. That is, the priority position that the holders of second mortgages, other junior liens and Home Equity Lines of Credit would become subordinate to this type of judgment. That would be unfair and unreasonable – lenders make loans in part based on what priority position their security instruments will have. This bill would change this long-established principle.

The creation of a judgment that acts like a tax lien and becomes a priority over any mortgage lien is unacceptable.

For these reasons, the MMBBA urges an **UNFAVORABLE REPORT on SB0563.**

Should the Committee require any additional information, please contact me or Dennis F. Rasmussen, df@rasmussengrp.net or 410-821-4445.

Respectfully,

Richard J Green Co-Chair, MMBBA Legislative Committee
Richard.green@presidential.com – 410 – 456-9345