



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

IN SUPPORT WITH AN AMENDMENT (FWA) OF:
HB0400 – Commercial Law – Ability to Repay Verification – Exemption

Economic Matters Committee
Hearing: 2/15/2023 at 1:00 PM

The Maryland Mortgage Bankers and Brokers Association, Inc. (“MMBBA”)
SUPPORT HOUSE BILL 0400 WITH AN AMENDMENT (FWA).

Community Development Financial Institutions (CDFI) are exempt from Federal ability-to-repay rules. The Consumer Financial Protection Bureau (CFPB) granted this exemption, acknowledging that many consumers not only deserve the opportunity of homeownership but can demonstrate a high likelihood of loan repayment despite an inability to conform to traditional ability-to-repay standards. CDFIs provide capital to the underserved communities from which many of these consumers reside. **The MMBBA supports the bill with an amendment to include mortgages in Maryland made under CL Title 12, Subtitle 1 which is where a majority of first mortgages are originated.**

Maryland does not have this same exemption for the simple reason that Maryland enacted ability-to-repay rules before the Federal Government did (2010 vs. 2013).

HB0400 will provide the underserved communities of Maryland with the same tools to achieve the dream of homeownership that currently exists in 43 other states.

For these reasons, The MMBBA urges a **FAVORABLE REPORT WITH AN AMENDMENT (FWA) on HB0400.**

Respectfully,

Brendan McKay, Co-Chair, MMBBA Legislative Committee
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