



**Testimony HB 1223**  
**House Environment and Transportation Committee**  
**March 7, 2023**  
**Position: FAVORABLE**

Dear Chairman Barve and Members of the House Environment and Transportation 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.

HB 1223 – Would stop a secured party from initiating or proceeding with a foreclosure for a certain period if the secured party receives a certain notice; requiring a secured party to make a certain affidavit to the circuit court responsible for the foreclosure action when the secured party makes certain filings.

With funds from the US Treasury, Maryland launched the Homeowner Assistance Fund (HAF) to provide homeowners with much-needed federal Covid relief funds. HAF has been operational for over a year now and will continue until September 2026 or whenever the funds are fully expended. There is more than \$127,000,000 in funds ready and waiting to be distributed to prevent foreclosures.

The Maryland program was designed as a loan and grant program to homeowners. As a result, the length of time from initiating an application to a payment and negotiated work out resolution with the mortgage service has been more than three months. Maryland DHCD HAF program managers have reported that several of the mortgage servicers are failing to respond to requests for communications necessary to reach a resolution, which is further delaying the process by weeks or months.

HB 1223 will create a temporary stay in judicial foreclosure proceedings to help ensure that homeowners receive the additional time they need to complete the HAF application process that will resolve their delinquency and prevent foreclosure. Once the stay period has passed, either the mortgage servicers will receive from HAF the money owed to them, or the foreclosure proceeding can continue to its conclusion.

We ask for your favorable report on HB 1223.

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