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**HB 1223**  
**FORECLOSURE ACTIONS -**  
**RESPONSIBILITY OF SECURED PARTIES AND STAY FOR DETERMINATION OF FINANCIAL ASSISTANCE**  
**HEARING BEFORE THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE**  
**MARCH 7, 2023**  
**POSITION: SUPPORT**

**The Pro Bono Resource Center of Maryland ("PBRC"), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services through free legal clinics. PBRC supports HB 1223 because vulnerable homeowners who are under economic strain need extra time while in the midst of foreclosure proceedings to allow the State's financial assistance program to step in and help them to avoid displacement.**

With the express purpose of preventing home loss, the State launched last year the Homeowner Assistance Fund (HAF) to provide homeowners with much-needed federal covid relief money in the form of grants and loans to cover mortgage and other delinquencies that lead to foreclosure. HAF has been operational for over a year now and will continue until September 2026 or whenever the funds are fully expended. HAF has a budget of \$180,000,000 in funds for mortgage and housing financial assistance, and, as of February 24, 2023, has approved or paid \$62,616,485. There is still over \$127,000,000 in funds ready and waiting to be distributed to prevent foreclosures. Maryland's demonstrated commitment to helping homeowners through the creation of this program is tremendous.

One unanticipated implementation challenge has been the length of time from initiating an application to a payment and resolution with the mortgage servicer. Once an applicant opens an application, it takes up to several weeks to gather the required documentation needed to begin the review process. Once the application materials are considered complete and the review begins, the remainder of the process takes 12-16 weeks, if there are no further delays. HAF program managers and providers assisting applicants have reported repeatedly 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 pull them out of 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.

PBRC supports HB 1223, which may protect Marylanders from the loss of their home to foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth.

For the above reasons,  
**PBRC urges a FAVORABLE report on HB 1223.**

Please contact Allison Harris, Director of PBRC's Home Preservation Project, with any questions.  
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