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## SB 904

### FORECLOSURE PROCEEDINGS – RESIDENTIAL MORTGAGORS AND GRANTORS – ACCESS TO COUNSEL HEARING BEFORE THE SENATE JUDICIAL PROCEEDINGS COMMITTEE MARCH 21, 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 SB 904 because vulnerable homeowners who are under economic strain desperately need legal assistance navigating the complex foreclosure process to avoid displacement.**

PBRC has a longstanding track record of engaging in foreclosure prevention work. As coordinator of the statewide Foreclosure Prevention Pro Bono Project during the mortgage foreclosure crisis that began in 2008, we trained over 1,400 volunteer attorneys to participate in our 140+ legal clinics and to accept mortgage foreclosure cases from other providers. PBRC is once again offering legal clinics for homeowners facing the post-pandemic increase in foreclosures, but more legal support is needed for the thousands of homeowners at risk. Maryland is sixth in the nation for rates of serious mortgage delinquency, defined as 90 days or more past due, including loans in foreclosure. The metro areas surrounding DC and Baltimore have particularly high volumes of FHA mortgages—mortgages more frequently held by low-income and minority homeowners—and have especially high delinquency rates. Maryland’s Office of the Commissioner of Financial Regulation, which tracks the number of Notices of Intent to Foreclose (“NOIs”) that mortgage servicers send to Maryland homeowners with delinquencies, reports that the NOIs have been steadily increasing since Covid-related forbearance periods came to an end, and are continuing to rise each month. Thousands of these homeowners, already struggling to make ends meet, may soon be involved in foreclosure proceedings but will not have the funds required to pay an attorney.

SB 904 will ensure that certain homeowners across the state have access to counsel during foreclosure proceedings. We know the positive effect of providing free counsel to those in legal proceedings, particularly when something as fundamental as housing is at stake. But the need spreads beyond the capability of the legal services providers currently representing at-risk homeowners.

PBRC supports SB 904, which may protect certain Marylanders from the loss of their home to foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth. Thank you for the opportunity to testify.

For the above reasons,

**PBRC urges a FAVORABLE report on SB 904.**

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