



House Bill 1135 – Financial Institutions - Community Benefit Plan Act of 2024

Maryland REALTORS® respectfully opposes HB 1135, which would place additional requirements on independent mortgage lenders by requiring them to develop Community Benefit Plans and impose new reporting requirements.

The federal Community Reinvestment Act requires banks which accept deposits from a community to reinvest those funds back into that community. But unlike traditional banks, independent mortgage banks do not accept deposits. They are essentially facilitators of making mortgage credit available to local borrowers from the global financial market.

Independent mortgage lenders routinely make more mortgage loans to low-income and minority borrowers than conventional banks. REALTORS® are concerned that imposing additional requirements on these institutions will actually lessen investment in these communities, rather than increase it.

Independent mortgage lenders have a strong track record of providing services to lower-income and underserved communities. Adding additional costs and burdens on these companies could have a detrimental impact on that work. Therefore, Maryland REALTORS® recommends an unfavorable report on HB 1135.

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