



**Bill Title:** House Bill 853, Residential Leases - Late Payment Penalties - Calculation

**Committee:** Environment and Transportation

**Date:** February 27, 2024

**Position:** Favorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

House Bill 853 alters a prohibition concerning the maximum penalty for the late payment of rent that a landlord may charge in a residential lease to prohibit a penalty in excess of 5% of the amount of **the unpaid** rent rather than of the amount due.

When assessing a late penalty, housing providers should not charge the late fees on any rent that has been paid. That would be inappropriate. MMHA members currently only charge late fees on the unpaid rent amount; all housing providers should abide by the same practice, which is the proper method in current law.

For these reasons, the Maryland Multi-Housing Association respectfully requests a favorable report on House Bill 853.

Please contact Aaron J. Greenfield at 410.446.1992 if you have any questions.