

Written Testimony SB 671 - right to counsel in for

Uploaded by: Allison Harris

Position: FAV



SB 671

FORECLOSURE PROCEEDINGS – RESIDENTIAL MORTGAGORS AND GRANTORS – ACCESS TO COUNSEL HEARING BEFORE THE HOUSE JUDICIARY COMMITTEE FEBRUARY 20, 2024 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 to over 6,200 clients annually. PBRC supports SB 671 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 among the highest 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 671 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 671, 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 671.

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.
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SB0671_Foreclosure_Proceedings_Access_to_Counsel_M

Uploaded by: Cecilia Plante

Position: FAV



**TESTIMONY FOR SB0671
FORECLOSURE PROCEEDINGS - RESIDENTIAL MORTGAGORS AND GRANTORS -
ACCESS TO COUNSEL**

Bill Sponsor: Senator Charles

Committee: Judicial Proceedings

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: **FAVORABLE**

I am submitting this testimony in favor of SB0671 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

Homeownership for many Marylanders not only provides financial stability but it also conveys to children, allowing a family to hold a large asset over time. For those who own a home but struggle to make ends meet, foreclosure represents a staggering loss. Not just homelessness, but financial insecurity for the rest of their lives.

This bill, if enacted, would provide access to counsel in foreclosure proceedings for individuals who own their home but make less than 50% of the median income in the state. It would create a fund that would pay for legal representation. Funding would come from a fee on each residential property sale based on the selling price of the property, which means this program is self-funded.

This is an important step towards ensuring that the Marylanders who are struggling the most have a better chance to remain in their homes.

We support this bill and recommend a **FAVORABLE** report in committee.

BaltimoreCounty_FAV_SB0671.pdf

Uploaded by: Jenn Aiosa

Position: FAV

JOHN A. OLSZEWSKI, JR.
County Executive



JENNIFER AIOSA
Director of Government Affairs

AMANDA KONTZ CARR
Legislative Officer

WILLIAM J. THORNE
Legislative Associate

BILL NO.: **SB 671**

TITLE: Foreclosure Proceedings – Residential Mortgagors and
Grantors – Access to Counsel

SPONSOR: Senator Charles

COMMITTEE: Judicial Proceedings

POSITION: **SUPPORT**

DATE: February 20, 2024

Baltimore County **SUPPORTS** Senate Bill 671 – Foreclosure Proceedings – Residential Mortgagors and Grantors – Access to Counsel. This legislation would require that homeowner households with an income that is 50% or less of the State’s median income have access to legal representation during certain foreclosure proceedings. That representation would be provided by the Access to Counsel in Foreclosure Proceedings Program (established within the legislation, along with an accompanying special fund). Under the program, the Maryland Legal Services Corporation (MLSC) would engage with nonprofit legal service providers to secure representation for covered individuals. It would also allow local jurisdictions to access the funding if they set up corresponding local programs for this purpose.

SB 671 would be a positive step that would ensure that the most vulnerable homeowners at risk of losing their homes are represented during foreclosure proceedings. It builds on temporary legal representation programs that were created during the pandemic, making permanent the idea that low-income families deserve protection and representation as they make their way through the foreclosure process. It creates a sibling program alongside the existing Access to Council in Evictions (ACE) Program, which has been extremely successful in protecting residents at risk of eviction. Creating this similar program will go a long way towards protecting vulnerable homeowners and helping them retain their generational wealth.

Accordingly, Baltimore County urges a **FAVORABLE** report on SB 671 from the Senate Judicial Proceedings committee. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.

Sb 671 written testimony.pdf

Uploaded by: Jessica Quincosa

Position: FAV



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The Honorable William C. Smith, Jr.
Chair, Judiciary Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

**Senate Bill SB 671 –
Foreclosure Proceedings – Residential Mortgages and Grantors –
Access to Counsel
Position: FAVORABLE**

Dear Chair Smith, Jr., Vice Chair Waldstreicher, and Committee Members:

Thank you for the opportunity to testify in support of SB 671, a bill that would allow homeowners to receive Access to Counsel in Foreclosure proceedings.

Community Legal Services of Prince George's County, Inc. (CLS), is a non-profit organization established to provide quality legal services to low-income residents of Prince George's and surrounding Counties. We provide advice and representation to homeowners facing foreclosure in Prince George's County. Since the 2008 Recession, CLS has been a leading organization in Prince George's County for helping residents avoid foreclosure, advising, and representing clients through our staff and pro bono attorneys.

During the 2008 foreclosure crisis, the legislature enacted laws to improve foreclosures and allow homeowners meaningful notice of the foreclosure of their homes in hopes that it would improve the foreclosure process, provide homeowners a fair chance to save their homes, and preserve homeownership across Maryland. These laws while helpful are still not enough to assist all homeowners facing the loss of their homes. Post-pandemic, homeowners across the state face additional challenges limiting meaningful participation in the foreclosure process.

The challenges under Maryland law include numerous technical pitfalls in the normal judicial process outlined in Maryland Rule 14 that can lead to summary denial of a homeowner's argument, silencing their voices. The technical expertise to be heard is too often dependent on funding an attorney to plead for the homeowner. Homeowners who have had hardships causing them to fall behind on their mortgages, not only have to find the funds to bring their mortgages current and make lenders whole, but they also have to find and pay an attorney for the privilege to do so.

The irony of foreclosure defense is that homeowners pay attorneys to be allowed the time to pay their lenders, instead of simply paying their lenders. It is undeniable that successful foreclosure defense not only preserves home ownership, but lenders are made whole because successful foreclosure defense means the homeowner continues paying their mortgage. CLS clients always want their day in court to state their stories. They want to plead their case to a Judge, to have a chance to bring their mortgage current, and hopefully keep their homes. Too often their arguments are dismissed for technicalities of Maryland Rule 14 and usually because a homeowner does not have the funds to retain an attorney.

SB 671 will remedy this problem because it will put in place a mechanism for Maryland homeowners to pre-pay into a fund for a possible future need to save their home from foreclosure. This process is akin to paying title insurance. SB 671 establishes a right to representation in foreclosure cases and provides the funding that will allow homeowners a fair chance of working with their lenders and the Courts to preserve home ownership. This will help homeowners despite numerous forces that might jeopardize their homes, like COVID, or a housing collapse. With funding in place, homeowners can have properly drafted motions and legal resources that will be adequately funded to provide them with the representation and guidance they need so they can be heard. SB 671 will accomplish that by improving the number of performing loans by allowing homeowners guidance within the foreclosure process to help them take advantage of the tools that are in place to help them keep their homes. For example, guidance to understand mediation, loss mitigation, how to interpret lender communications, and numerous other areas that many homeowners lack the experience to navigate.

SB 671 is ultimately beneficial for lenders and the community as well. Lenders know that foreclosed loans are less profitable than performing loans. Lenders often bear the costs of a foreclosed property sitting empty for months. Foreclosed homes also impact the community and lower the value of homes surrounding a foreclosed property. SB 671 will improve communities and will help maintain generational wealth by preserving homeownership.

For the above reasons,
CLS urges a FAVORABLE report on SB 671.

If you have any questions, please contact Jessica Quincosa, Executive Director, at quincosa@clspgc.org, 240-391-6370.

SB 671_Consumer Protection Division_Support_2024_F

Uploaded by: Kira Wilpone-Welborn

Position: FAV

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February 19, 2024

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: Senate Bill 671 – Foreclosure Proceedings - Residential Mortgagors and Grantors -
Access to Counsel (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports the goal of Senate Bill 671 sponsored by Senator Nick Charles. Senate Bill 671 seeks to facilitate access to legal advice and representation for homeowners, at or below 50% of the State’s median income, who are facing foreclosure by creating an Access to Counsel in Foreclosure Proceedings Program and Special Fund. Under Senate Bill 671, the Maryland Legal Services Corporation (MLSC) will create and coordinate the program to connect qualified homeowners with available attorneys. Additionally, MLSC will create an informational pamphlet on the program and the legal rights of homeowners and mortgagors that will be provided to the public.

In the Attorney General’s 2021 Access to Justice Taskforce Report, “ensuring Marylanders had meaningful access to the civil justice system” was a priority recommendation.¹ During the same year, recognizing the immense need to provide counsel to tenants facing eviction proceedings and that addressing that need would help to provide housing stability, the General Assembly passed HB 18 creating an Access to Justice in Evictions Program. Senate Bill 671 is the corollary to the Access to Counsel in Evictions Program and will provide low-income

¹ Found at: https://www.marylandattorneygeneral.gov/A2JC%20Documents1/AG_Covid_A2J_TF_Report.pdf

homeowners facing foreclosure needed access to representation and the opportunity for housing stability.

The Division requests that the Judicial Proceedings Committee give Senate Bill 671 a favorable report.

cc: The Honorable Nick Charles
Members, Judicial Proceedings Committee

SB0671 ACDS Support - Access to Counsel in Foreclo

Uploaded by: Lisa Sarro

Position: FAV



SB0671 – Foreclosure Proceedings - Residential Mortgagors and Grantors – Access to Counsel
Hearing before the Judicial Proceedings Committee
February 20, 2024

Position: SUPPORT (FAV)

SUPPORT: Arundel Community Development Services, Inc., (“ACDS”) urges this Committee to issue a Favorable report on SB0671, which would ensure that Maryland homeowner’s have meaningful access to legal services in residential foreclosure proceedings.

ACDS serves as Anne Arundel County’s nonprofit housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of safe and affordable housing opportunities, programs to prevent and end homelessness, and community development initiatives. As part of this role, ACDS advises the County on issues related to affordable housing, develops housing and community development strategies for Anne Arundel County, and implements programs that provides direct assistance to renters facing eviction and homeowners facing foreclosure.

To address serious housing challenges and ensure that Anne Arundel County is “the Best Place for All,” the Anne Arundel County is tackling the housing crisis with a multi-faceted approach, including the implementation of programs to help residents who have housing to keep that housing. In addition to eviction prevention programs for renters, through ACDS, Anne Arundel County also provides foreclosure prevention counseling for Anne Arundel County homeowners facing foreclosure. While our counselors can help homeowners with education about their rights and the foreclosure process, they are not lawyers. We find it is rare that homeowners can retain attorneys, which puts them at a huge disadvantage. During the 2008 foreclosure crisis, the legislature enacted laws intended to improve the foreclosure process and provide homeowners a fair chance to save their homes. However, even with the new laws, the process is extremely complicated. Without legal counsel to help navigate the processes and deal with mortgage company attorneys, homeowners face insurmountable challenges that limit meaningful participation in the foreclosure process and can result in the loss of a home that otherwise might have been saved.

In Anne Arundel County, *we know from experience that legal representation matters and can mean the difference between keeping or losing the roof over a family’s head.* In 2020, even before federal Covid-related funds began flowing and before the State’s Access to Counsel in Evictions Program was funded, Anne Arundel County utilized County funding to support the creation of the Anne Arundel County Eviction Prevention Legal Program (EPLP). Since the EPLP began, the evictions of thousands of County residents have been prevented through a combination of the presentation of valid legal defenses in court and legal representation to help coordinate funding or negotiate settlements so that landlords get paid.

Just as the ACE Program provides legal counsel for renters in eviction cases, SB0671 establishes a right to legal counsel for homeowners in foreclosure cases. We expect that legal counsel in foreclosure cases will be equally successful to preserve housing stability – again, through a combination of the presentation of valid legal defenses in court and coordination of funding programs and other tools that help lenders get paid. SB0671 is also beneficial the community, overall. Foreclosed, vacant homes impact neighborhoods, and the value of homes surrounding a foreclosed property is lowered. SB0671 will help maintain thriving communities, keep families housed, and help maintain generational wealth by preserving homeownership.

For the reasons noted above, ACDS urges the Committee to issue a FAVORABLE report on SB0671.

SB671_MLSC_Favorable.pdf

Uploaded by: Michelle Siri

Position: FAV



MLSC

MARYLAND LEGAL SERVICES CORPORATION

IOLTA - INTEREST ON LAWYER TRUST ACCOUNTS

Senate Bill 671

“Foreclosure Proceedings – Residential Mortgagors and Grantors – Access to Counsel”

Senate Judicial Proceedings Committee

Hearing Date: February 20, 2024

Position: Favorable

Maryland Legal Services Corporation requests a favorable report on Senate Bill 671, enactment of which would establish a program providing access to legal representation in foreclosure proceedings for income-eligible Marylanders.

MLSC’s mission is to ensure low-income Marylanders have access to stable, efficient and effective civil legal assistance through the distribution of funds to nonprofit legal services organizations. It currently funds 41 organizations to work toward that mission across the entire state. The Maryland General Assembly created MLSC in 1982 to administer the state’s Interest on Lawyer Trust Accounts (IOLTA) program, and since that time MLSC grantees have assisted approximately 4 million Marylanders with a wide variety of civil legal needs.

SB 671 names MLSC as the administrator of the Access to Counsel in Foreclosure Proceedings Program. MLSC has the experience necessary to serve in this role. Led by a nine-member Board of Directors appointed by the Governor and confirmed by the Maryland Senate, MLSC has funded and convened civil legal services providers for the past 40 years.

MLSC has an established grantmaking process that includes thorough review of each applicant’s experience, capacity and fiscal health by our Board and staff. Each application is carefully vetted to ensure MLSC is working toward its mission of promoting efficient and effective civil legal services. MLSC also frequently convenes legal services providers to offer chances to learn best practices, identify trends and find opportunities for collaboration.

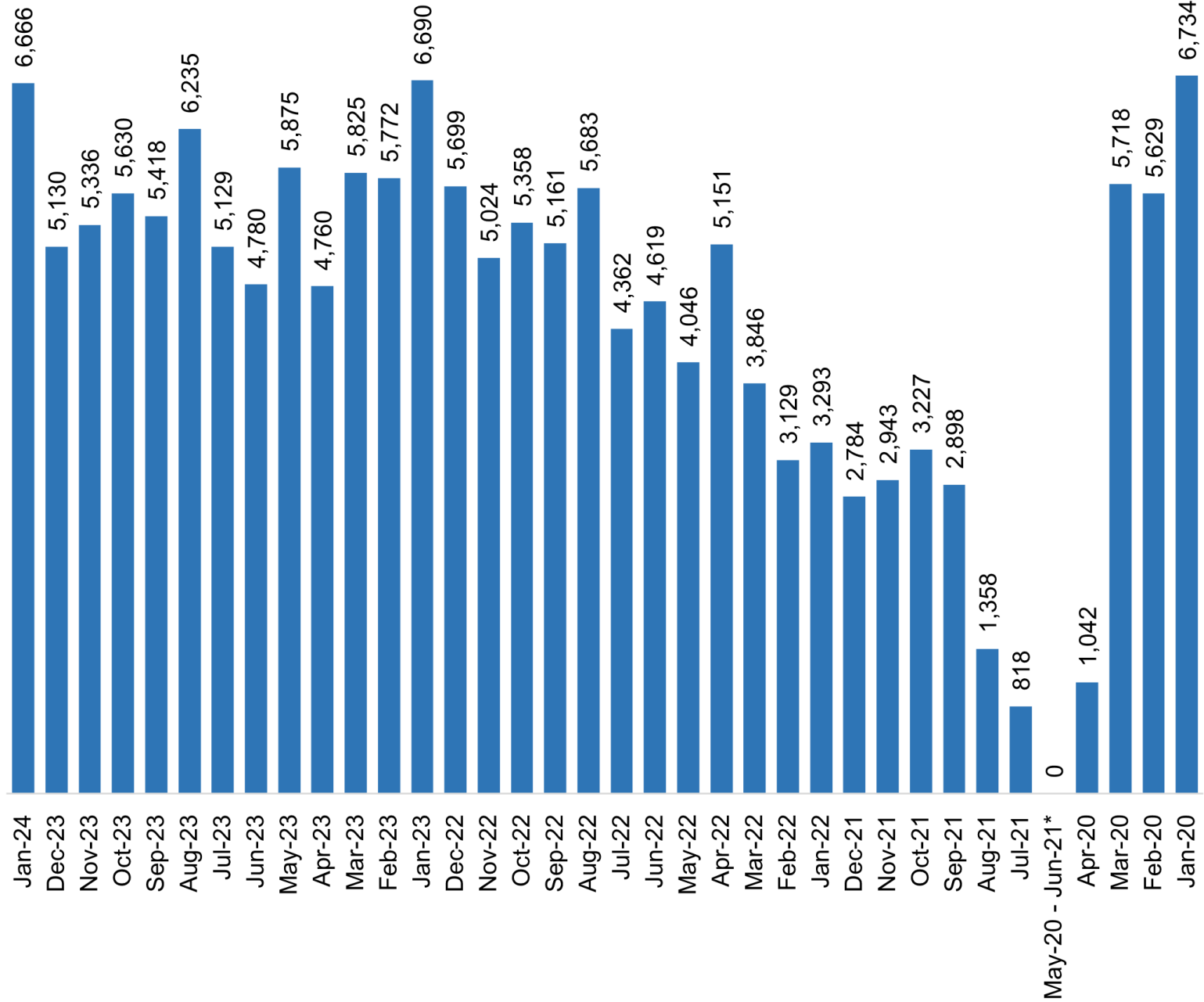
MLSC has also had a special grant program for foreclosure prevention legal services since 2016, paid for with restricted, one-time funding. During the pandemic, legal services providers ensured homeowners had information about various protections available. They have reported that calls related to foreclosures have continued to tick up. Statewide foreclosure statistics are attached.

Civil legal aid helps ensure fairness in the justice system. The essential work of legal aid providers ensures Marylanders have access to justice, regardless of the amount of money they have. The legal system can be confusing and requires specialized knowledge; paired with the high stakes of each case, it is vital to connect as many clients with attorneys as possible. Services that help low-income Marylanders understand their rights and allow them to rely on an advocate can make a tremendous difference.

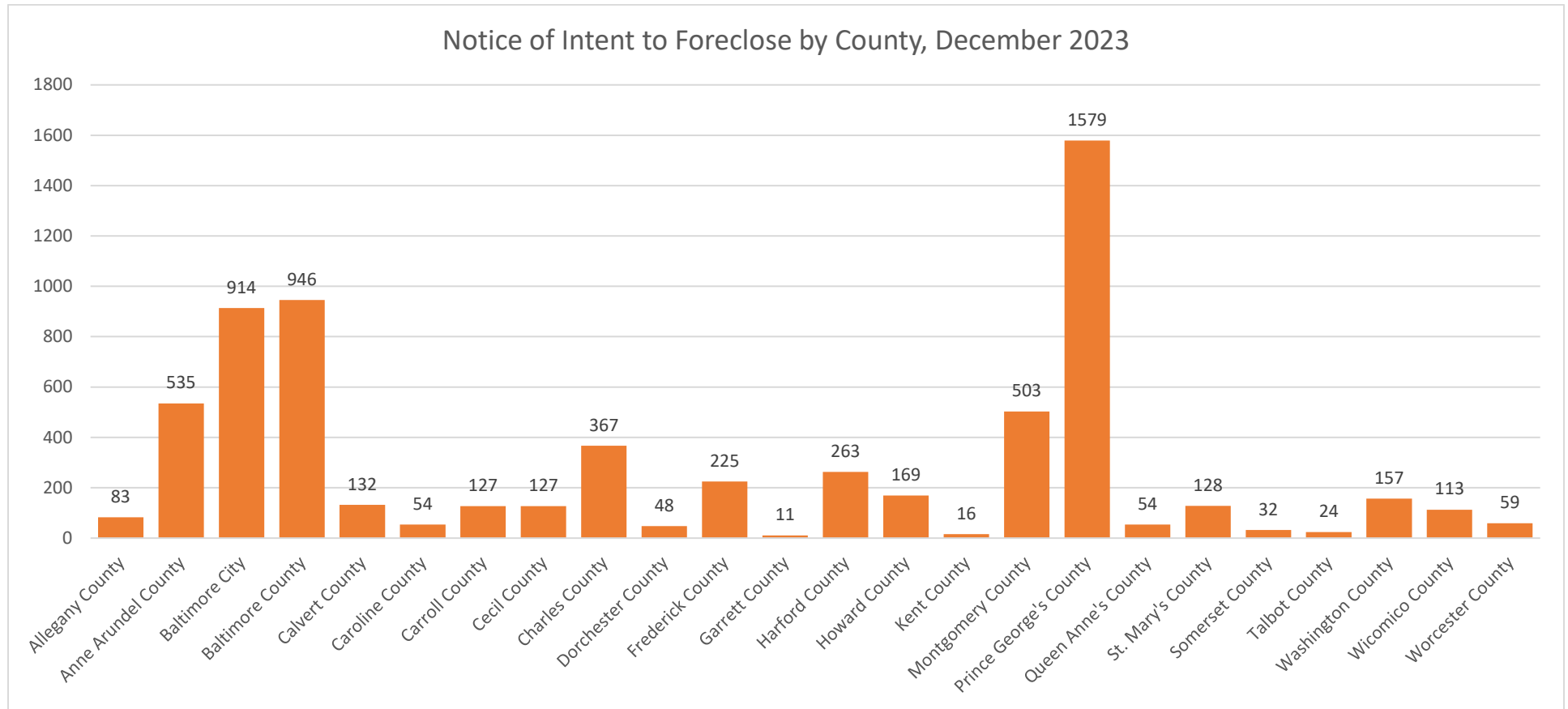
MLSC asks for favorable consideration of Senate Bill 671. If we can provide any further information or assistance, please do not hesitate to contact Michelle Siri, Executive Director, at 410-576-9494 x1009, or msiri@mlsc.org.

Appendix: Statistics

Notice of Intent to Foreclose, Maryland Total

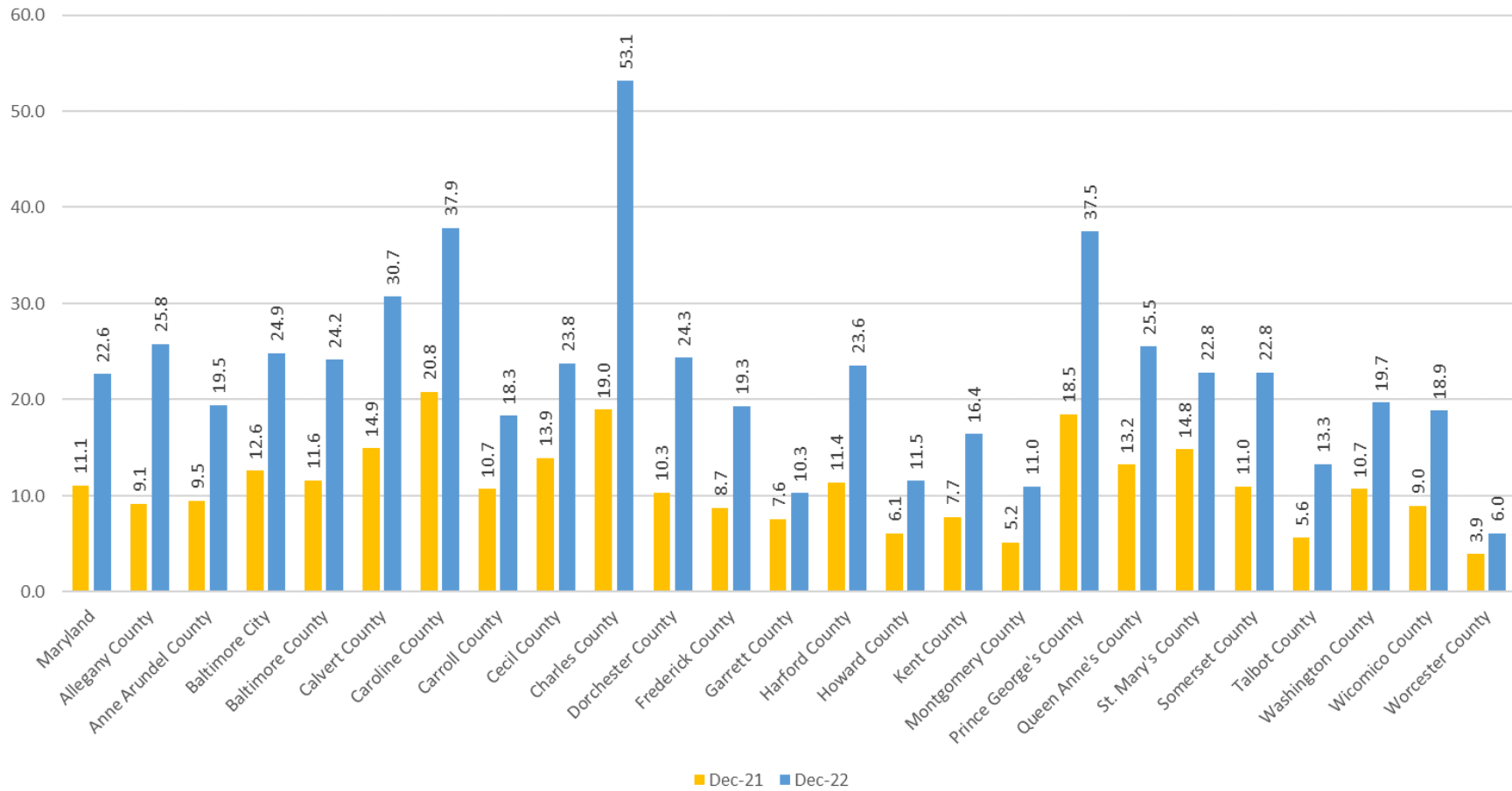


Source: Office of the Commissioner of Financial Regulation, Retrieved from Maryland Open Data Portal



Source: Office of the Commissioner of Financial Regulation, Retrieved from Maryland Open Data Portal

Notice of Intent to Foreclose per 10,000 Housing Units



Source: Office of the Commissioner of Financial Regulation, Retrieved from Maryland Open Data Portal; U.S. Census Bureau American Community Survey, 2021 5-Year Estimates, Selected Housing Characteristics

2024.02.16 - A2JC Written Testimony - SB671 Forecl

Uploaded by: Reena Shah

Position: FAV

SB671

**Foreclosure Proceedings - Residential Mortgagees and Grantors -
Access to Counsel**

Senate Judicial Proceedings Committee

FAVORABLE

The Maryland Access to Justice Commission (A2JC) is an independent entity powered by the Maryland State Bar Association (MSBA). We unite leaders to drive reforms and innovations to make the civil justice system accessible, equitable and fair for all Marylanders. Prominent leaders from different segments of the legal community in Maryland – including the Attorney General, deans of the two law schools, law firm partners, heads of the legal services providers and funders, corporate counsel, academics, legislators, the state bar and judiciary comprise the A2JC.

A2JC supports SB671 and is heartened by the recognition in this body that increasing access to counsel in civil proceedings is a beneficial investment that has far-reaching benefits to constituents and society beyond success in the particular case.

A2JC has been a thought-leader and has advocated for implementing the right to counsel in civil legal cases that implicate basic human needs cases for many years. In 2011, A2JC authored a report entitled, [“Implementing a Civil Right to Counsel in Maryland.”](#) Thereafter, in 2013, it staffed the [Task Force to Study the Implementation of a Civil Right to Counsel in Maryland.](#)

The Civil Right to Counsel Task Force concluded that “Maryland would benefit significantly by making a commitment to ensure that low-income Marylanders have a right to counsel at public expense in those categories of cases where basic human needs are at stake, such as those involving shelter, sustenance, safety, health, or child custody.”

A2JC was also the lead partner in the [The Maryland Attorney General’s COVID-19 Access to Justice Task Force](#), which released its final report entitled [Confronting the COVID-19 Access to Justice Crisis](#) in January, 2021. That report also recommended a civil right to counsel in eviction proceedings as a key component of broader housing justice reforms because it was a cost-effective means to prevent the projected tsunami of COVID-19-related evictions.

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 Maryland State Senate
- STAFF**
Reena K. Shah
 Executive Director

In 2021, this body successfully passed HB18, becoming the second state in the nation to pass a statewide access to counsel in evictions law.

The other side of ensuring Marylanders stay housed is foreclosure prevention

Avoiding foreclosure is an important piece of housing preservation, in addition to preventing evictions. Especially for families of color, foreclosures can decimate wealth accumulation and have generational impacts.

An [issue brief from the National Consumer Rights Center](#) points out that the disparity in foreclosure rates is greatest among Black families and communities:

Black communities have yet to recover from the rampant foreclosure of the Great Recession. As of the first quarter of 2020, the Black homeownership rate is 44% compared to 74% for whites. This is a slight increase from the last quarter where the rate sunk to 40.6% a level not seen since the 1960s. The looming foreclosure crisis (following COVID-19 pandemic) threatens to decimate Black homeownership and destroy wealth for generations.

Homeowners of color, particularly Black and Latinx homeowners, will face disproportionately high foreclosure rates in the coming ... years unless substantial foreclosure prevention measures are adopted immediately.

As such, focusing on foreclosure prevention prior to the onslaught of foreclosure cases is a smart investment for the state for reasons of equity, retaining generational wealth and preserving housing for Marylanders.

Right to counsel is a potent and cost-effective access to justice solution

Legal Representation is the key to case outcomes in civil cases

Legal representation is the key to more just outcomes in court. For homeowners struggling to navigate the legal process on their own to fend off foreclosure proceedings against powerful banks, legal representation can be an equalizer.

In eviction cases, for example, only 1% of tenants have legal representation, compared to 96% of landlords. However, when those 1% of tenants are able to get representation, the result is impactful. Ninety-two percent of tenants are able to avoid disruptive displacement when a right to counsel is implemented. More than any other factor, the inequities in legal representation have proven to lead to evictions.

These findings in eviction cases are supported by findings in other types of civil legal cases. Research shows that representation by counsel results in markedly better outcomes for litigants. One Maryland study found that in appeals where public benefits were denied, the rate of reversal for the unrepresented was 40 – 45%, whereas the rate of reversal for the represented doubled to 70 –

80%.¹ In another Maryland study looking at the impact of counsel on consumers sued by debt buyers, the rate of dismissals or judgments for the consumer dropped from 71% for the represented to 23% for the unrepresented.² In yet another Maryland study, the rate of acquiring a protective order with counsel was 83%, but without counsel was 32%.³

ROI may be high based on ROI in other types of civil legal cases

While there is not a direct study on the ROI in foreclosure context, we can surmise from the eviction context that the ROI in foreclosure cases is similar and that the investment in counsel on the front end is more cost-effective than the costs of foreclosure to families and society at large on the back end. For example, the cost-effectiveness and ROI in the eviction context is proven. A report from [Stout Risius and Ross \(The Stout Report\)](#) shows a return on investment of 624% from implementing a right to counsel in eviction proceedings.

Access to Counsel delivers results

Many other jurisdictions⁴ have implemented a right to counsel in other areas of law and have seen impressive results, especially in evictions. New York City began a phased implementation of a right to counsel in evictions in 2018. Evictions have since dropped 29% in zip codes where the right to counsel was implemented. In zip codes with right to counsel, tenants remained in their homes in 84% of the cases.

Maryland Access to Justice Commission Urges Support of SB671

For the reasons stated, the Maryland Access to Justice Commission requests the Senate Judicial Proceedings Committee to issue a FAVORABLE report SB671. For more information, please contact Reena K. Shah, Executive Director of the Maryland Access to Justice Commission, at reena@msba.org.

¹ ADVISORY COUNCIL OF THE MARYLAND LEGAL SERVICES CORPORATION, ACTION PLAN FOR LEGAL SERVICES TO MARYLAND'S POOR (1988), 12.

² PETER HOLLAND, EVALUATION OF THE PRO BONO RESOURCE CENTER CONSUMER PROTECTION PROJECT (2013), at 6-7, on file with the Maryland Access to Justice Commission.

³ Jane C. Murphy, Engaging with the State: The Growing Reliance on Lawyers and Judges to Protect Battered Women, 11 AM. U. J. GENDER SOC. POL'Y & L. 499, 511 (2003).

⁴ Right to Counsel in evictions is being implemented in other jurisdictions including Philadelphia, San Francisco, Cleveland, and Newark. It is also being considered in numerous others, including state-wide efforts in California, Connecticut, Massachusetts, Minnesota, New Jersey, Ohio, Washington state; and city-wide efforts in Los Angeles, Santa Monica, Boulder, D.C., Kansas City, Detroit, Jersey City, New York City, Toledo, Oklahoma City and San Antonio.

Testimony in support of SB0671.pdf

Uploaded by: Richard KAP Kaplowitz

Position: FAV

SB0671_RichardKaplowitz_FAV
2/20/2022

Richard Keith Kaplowitz
Frederick, MD 21703-7134

TESTIMONY ON SB#0671 - POSITION: FAVORABLE

Foreclosure Proceedings - Residential Mortgagors and Grantors - Access to Counsel

TO: Chair Smith, Vice Chair Waldstreicher, and members of the Judicial Proceedings Committee

FROM: Richard Keith Kaplowitz

My name is Richard Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#0671, Foreclosure Proceedings - Residential Mortgagors and Grantors - Access to Counsel

This bill is an attempt to ensure that the legal rights are protected when a foreclosure is occurring so that the individuals involved do not become homeless through failure to comprehend and react legally and correctly to resolve that situation. If you do not know your rights, then you basically have none and can be taken advantage of by those with the resources to proceed in a legal manner.

For many, the lack of financial resources can also retard their access to legal representation and this bill will create a Special Fund so that legal representation is no longer a financial decision. People's rights can and should be protected, it is the ethical and moral choice that Maryland should make for its citizens.

Passage of this bill is a step to making Maryland a state that values everyone and provides equal opportunity within the legal system to everyone. It provides specific paths to stop and fix persons not being able to exercise or invoke their legal rights.

I respectfully urge this committee to return a favorable report on SB0671.

SB0671 - MSBA Support Letter (2024.02.19).pdf

Uploaded by: Shaoli Katana

Position: FAV



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Baltimore, MD 21201
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Annapolis Office
200 Duke of Gloucester Street
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410-269-6464 | msba.org

To: Members of the Senate Judicial Proceedings Committee
From: Maryland State Bar Association (MSBA)
Subject: SB 671 - Foreclosure Proceedings - Residential Mortgagors and Grantors - Access to Counsel
Date: February 19, 2024
Position: **Support**

Maryland State Bar Association (MSBA) joins its partner, the Maryland Access to Justice Commission, and supports **Senate Bill 671 - Foreclosure Proceedings – Residential Mortgagors and Grantors – Access to Counsel**. SB 671 requires that individuals have access to legal representation in certain foreclosure proceedings; establishes the Access to Counsel in Foreclosure Proceedings Program and Special Fund; requires the Maryland Legal Services Corporation to provide access to legal representation under the Program; etc.

MSBA represents more attorneys than any other organization across the State in all practice areas. MSBA serves as the voice of Maryland’s legal profession. Through its Laws Committee and various practice-specific sections, MSBA monitors and takes positions on legislation of importance to the legal profession.

MSBA supports access to justice for Marylanders and funding of the civil justice system. Attorneys make an enormous difference in the civil justice system and case outcomes, as many pro se litigants are unaware of their rights, appropriate defenses, and the judicial process. With over 42,000 attorneys in Maryland, the state has an incredible opportunity to help those most in need through staff and volunteer attorneys, as it did during the pandemic with the passage of access to counsel in eviction matters.

MSBA has been a strong advocate for the Maryland Legal Services Corporation (MLSC), an entity that provides a significant resource for legal services in Maryland. SB 671 will ensure that Marylanders facing foreclosure will have access to counsel during proceedings, through MLSC’s programming. The bill would allow organizations across the state to represent Marylanders facing foreclosure in a cost-effective manner. MSBA will work to help implement the call to action for pro bono attorneys and connect the tens of thousands of Maryland attorneys to Marylanders facing foreclosure.

For these reasons, MSBA respectfully urges a **favorable report on Senate Bill 671**.

Contact: Shaoli Katana, Advocacy Director (shaoli@msba.org, 410-387-5606)

Testimony on SB 671.pdf

Uploaded by: William Steinwedel

Position: FAV



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**Senate Bill 671 – Foreclosure Proceedings – Residential Mortgagors
and Grantors – Access to Counsel
Hearing on February 20, 2024
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 671 in response to a request from Senator Nick Charles.

Thank you for the opportunity to testify in favor of SB 671. Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents, including abused and neglected children, nursing home residents, and veterans. With 12 offices serving residents in each of Maryland's 24 jurisdictions, MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law, and criminal record expungements. MLA supports this Bill and asks that the Committee give it a favorable report and urge its ultimate passage.

SB 671 is a remarkable piece of legislation that could change the legal landscape in foreclosure proceedings. SB 671 recognizes the need to provide legal assistance and information to homeowners who are in jeopardy of falling behind on their mortgage payments and face the possibility of losing their homes through foreclosure. With this bill, the General Assembly would expand the state's interest in promoting housing stability, as well as its interest in preserving homeownership and intergenerational wealth, by providing access to counsel for families facing foreclosure. The loss of one's home has devastating consequences not just for the family who loses their place to live and the potential generational wealth that homeownership generates but the community loss when a home is sold through foreclosure. The loss of wealth and equity extends to the community not just the family who loses the home.

In 2010, Maryland's Foreclosure Mediation Law took effect. It was designed to help foster a dialogue between homeowners and lenders to ensure a fair assessment was made to help homeowners get relief through any available alternatives to foreclosure they might qualify. In the mediation, the bank is represented by counsel, but the homeowner is not. In response, MLA created the Foreclosure Legal Assistance Project (FLAP) to ensure that homeowners had access to legal representation at the foreclosure mediation. FLAP is a statewide unit of attorneys specializing in foreclosure defense and provides full-service legal representation to homeowners facing serious payment delinquency, default and foreclosure. Since that time, MLA's FLAP staff have been representing homeowners in foreclosure all over the State.

In the experience of MLA advocates, those who seek legal assistance early in the process and participate in foreclosure mediation have a higher rate of home retention. Early involvement in the process allows an attorney to investigate legal claims properly and fully explore all available options to save a home. Mortgages require analysis of complex legal documents, and it is rare that

a homeowner would have an understanding about potential legal defenses or the requirements of the law regarding acceptable and legal fees, nor would they have the legal knowledge to effectively mediate or vindicate their rights. Rather than delaying the process, this law will expedite the process by assuring that homeowners facing foreclosure have the assistance they need and a lawyer by their side to ensure the best possible outcomes for themselves, their families, and ultimately their communities in the state.

SB 671 is needed to ensure that wrongful foreclosures are prevented. Under current case law, a borrower must bring any substantive challenges to stop a foreclosure before a sale occurs. After a sale, any right to object is limited primarily to assertions of procedural irregularities in the foreclosure sale itself. Therefore, the right to counsel must occur early in the process, as this bill provides, to allow a homeowner time to assert known and ripe defenses regarding the conduct of loss mitigations or foreclosure before the sale. For access to counsel in foreclosure cases to be effective, this right must occur early in the process to assure the relevant claims are examined and timely pursued.

SB 671 is vital legislation and critical to preserving valuable property rights and protecting homeowners in distress. Thank you for the opportunity to comment on this important legislation. Maryland Legal Aid supports SB 671 and asks that this Committee give it a favorable report and urge its ultimate passage. If you have any questions, please contact William Steinwedel at wsteinwedel@mdlabor.org or (410) 951-7643.

SB0671_MMBBA_Gough_FWA.pdf

Uploaded by: DENNIS RASMUSSEN

Position: FWA



Testimony offered on behalf of:
MARYLAND MORTGAGE BANKERS & BROKERS ASSOCIATION, INC.

IN SUPPORT, WITH AMENDMENT, OF:

SB0671 – Foreclosure Proceedings – Residential Mortgagors and Grantors –
 Access to Counsel

Judicial Proceedings Committee

Hearing – 2/20/2024 at 1:00 pm

The Maryland Mortgage Bankers and Brokers Association, Inc. (“MMBBA”) **SUPPORTS SENATE BILL 0671, WITH AN AMENDMENT.**

The MMBBA **wholly supports the intent of SB0671** offering low-income individuals access to legal representation in certain foreclosure proceedings and requiring the Maryland Legal Services Corporation, under the Program, to provide access to legal representation; however, we **do not agree that the funding mechanism for this bill should include a homeownership tax on homebuyers and sellers in Maryland.**

Maryland is already one of the most expensive states in the country to purchase a home. Additionally, there is another bill in front of the Legislature (HB0638) that would increase the state transfer tax from .50% of home purchase price up to as much as 1.5%! This bill would add as much as \$250 to closing costs on a home purchase. The MMBBA will **support this bill with an amendment** to DELETE page 5, line 14 “FEES PAID TO THE FUND UNDER § 10-714(B) OF THIS ARTICLE” and REMOVE the new section on page 7, lines 10-20:

“THE COMPTROLLER SHALL COLLECT A FEE ON EACH RESIDENTIAL PROPERTY SALE AS FOLLOWS:

- (1) \$25 ON A SALE OF LESS THAN \$200,000.
- (2) \$50 ON A SALE OF AT LEAST \$200,000 BUT LESS THAN \$350,000.
- (3) \$100 ON A SALE OF AT LEAST \$350,000 BUT LESS THAN \$500,000.
- (4) \$250 ON A SALE OF \$500,000 OR MORE.”

For these reasons, the MMBBA urges a **FAVORABLE COMMITTEE REPORT, WITH AN AMENDMENT, on Senate Bill 0671**

Respectfully submitted,

Timothy J. Gough

Co-Chair, MMBBA Legislative Committee

tgough@baycapitalmortgage.com – (410) 320-0852

SB 0671 - MBA - UNF - GR24.pdf

Uploaded by: Evan Richards

Position: UNF



SB 671 – Foreclosure Proceedings - Residential Mortgageors and Grantors - Access to Counsel

Committee: Senate Judicial Proceedings Committee

Date: February 20, 2024

Position: Unfavorable

The Maryland Bankers Association strongly **OPPOSES** SB 671. This legislation creates an Access to Counsel in Foreclosure Proceedings Program to be administered by the Maryland Legal Services Corporation. This legislation, if passed, will create an unnecessary and burdensome delay in Maryland's foreclosure process.

Since the first Gubernational Foreclosure Task Force was convened in 2007, the Maryland Bankers Association has been involved with the creation and revisions of Maryland's foreclosure laws. Due to these revisions, the process has been lengthened significantly and includes additional consumer protections such as the requirement for mediation. Due to these revisions, Maryland has seen a significant reduction in the number of foreclosure actions over the past decade.

No one should want to see a negative impact on Maryland's housing market or to slow the significant and ongoing progress to help those experiencing financial difficulties. Accordingly, MBA urges issuance of an **UNFAVORABLE** report on SB 671.

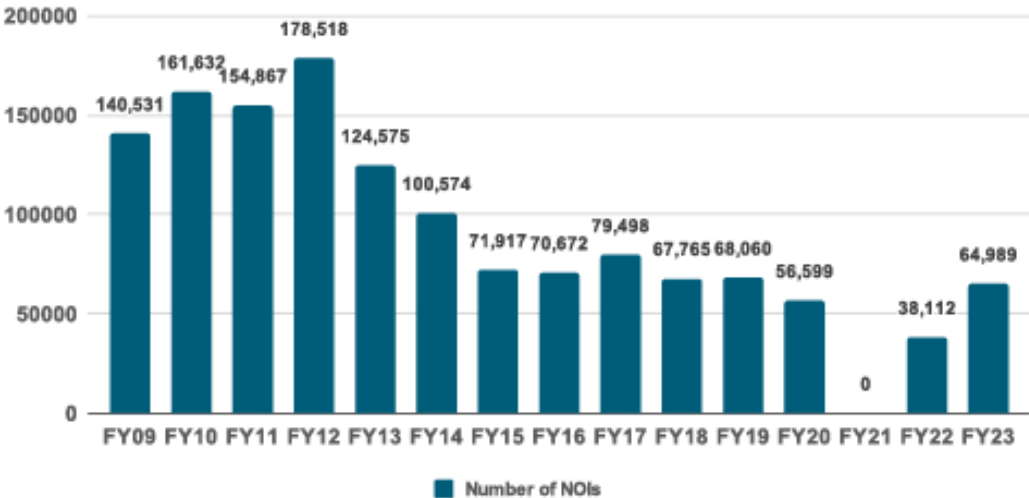
Attached:

1. Maryland Foreclosure Statistics from the Office of Financial Regulation
2. Maryland Homeowner Foreclosure Timeline Infographic
3. Factsheet for Maryland Homeowners on Foreclosures - Mortgage Late Don't Wait
4. Foreclosure: What You Need to Know as a Maryland Homeowner
5. HUD Approved Housing Counseling Agencies in Maryland
6. Available Legal Services for Marylanders Facing Foreclosure

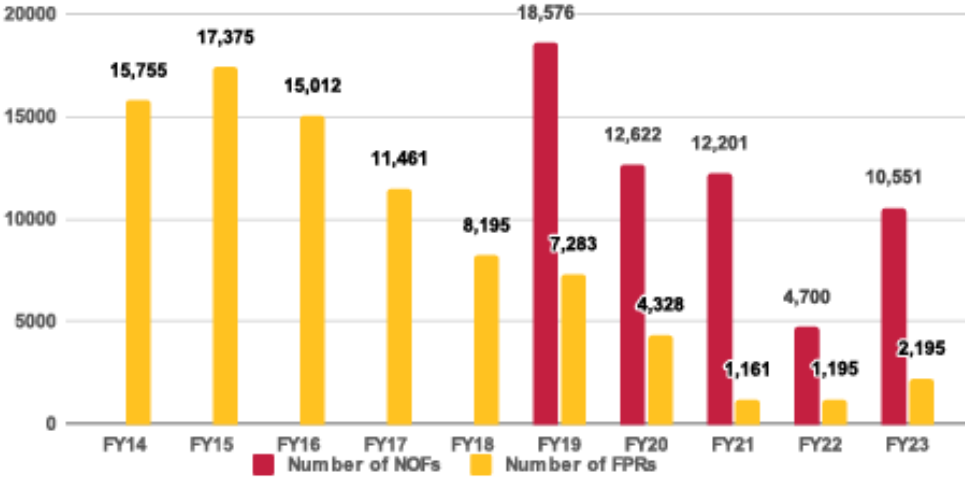
The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing more than 26,000 Marylanders and holding more than \$209 billion in deposits in over 1,200 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.

Maryland Foreclosure Statistics

Notices of Intent to Foreclose
Received per Fiscal Year



Notices of Foreclosure (NOFs) and Foreclosed Property Registrations (FPRs)
*Received per Fiscal Year**



(Source: OFR’s FY2023 Annual Report - <https://www.labor.maryland.gov/finance/finregannrep2023.pdf>)

Maryland Homeowner Foreclosure Timeline*

At First Signs of Financial Difficulty

Missed Mortgage Payment
Lender begins calling,
sends a delinquency notice

Day 1+

"Notice of Intent to Foreclose" letter
mailed certified and 1st class mail
**Important: May include offer for
pre-filing mediation – see reverse**

"Order to Docket" (OTD) filed in
court with certified or personally
served copy to homeowner*

Day 90+
(45+ days after NOI)



Steps

#1

What You Can Do

Reduce unnecessary expenses, save money,
and contact the HOPE hotline for free
non-profit Housing Counseling

1-877-462-7555

#2



Homeowner sends lender
"Loss Mitigation" workout
request package or pre-filing
mediation option: **Note that
choosing pre-filing mediation
changes the timeline**

#3



Homeowner to submit
"Foreclosure Mediation
Opt-in" Form to courts
w/\$50 filing fee

#4

Mediation held at OAH
60 days or less from homeowner's request

OAH to receive paperwork
20 days before mediation

Opt-in deadline 25
days from date of OTD

#7



Homeowner & mortgage
company meet to review financials
to decide if mortgage company will
offer options to foreclosure: **If you
choose pre-filing mediation, this
post-filing mediation may not be
available to you - see reverse**

#6



Homeowner to submit
all required documents
to OAH

#5

Deadline for homeowner to request
Mediation held with the Office of
Administrative Hearings
(OAH)

**Without
Mediation**

**Without
Mediation**

At any point up to the Foreclosure
Sale, the homeowner can bring
mortgage current
by paying all arrears
including late fees
and foreclosure costs



#8



Foreclosure Sale at
courthouse

15+ days after mediation
or 45+ days after OTD

Homeowner to seek
other housing options

30+ Days
after Sale

#9

Court ratifies sale
and title is
transferred to
new owner

45+ Days
after Sale

#10

Vacate or
Face Eviction



www.MDHope.org

*NOTE: This document represents a simplified version of the foreclosure process in Maryland without a Preliminary Loss Mitigation Affidavit and some steps may vary. Information is not presented as legal advice.

WHAT IS FORECLOSURE MEDIATION?

Foreclosure mediation is a process that allows the homeowner, a representative from the mortgage servicer with authority to make decisions, and a neutral third party mediator from the Maryland Office of Administrative Hearings (OAH) to meet and discuss alternatives to foreclosure. Alternatives to foreclosure may include housing transition. Foreclosure mediation does not guarantee a loan modification or other relief.

MEDIATION TYPES - (1) "Pre-file mediation" - mediation before a foreclosure action is filed in court and (2) "Post-file mediation" - mediation after a foreclosure action has been filed in court. Your mortgage servicer is not required to offer pre-file mediation. PLEASE NOTE: If you choose to participate in pre-file mediation now, you will not be able to opt-in to post-file mediation later unless you and your mortgage servicer agree to an additional mediation session and include the terms of that arrangement in the pre-file mediation agreement, if any. If you do not choose to participate in pre-file mediation at this time, you will have the opportunity to submit a loss mitigation application and, if a foreclosure action is filed against you, participate in post-file mediation.

	Pre-file	Post-file
Early Intervention?	Yes	No
Mortgage Servicer Offer of Mediation Session?	Optional	Required, if no pre-file mediation
Homeowner Financial Documents Needed?	Yes	Yes
Free Housing Counseling?	Mandatory	Available
Legal Referrals?	Available	Available

For more details take a look at Appendix A1-schedule 1:
www.dllr.state.md.us/finance/finregforms.shtml#foremed



Contact your lender and a housing counselor at the earliest sign of financial difficulty.

A list of housing counseling agencies near you can be obtained by calling the MDHOPE hotline at

877-462-7555

or by visiting

www.mdhope.org.

Made possible through the support of the Baltimore Neighborhood Collaborative and the Baltimore Homeownership Preservation Coalition

www.PreserveHomeownership.org

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Maryland Homeowner Foreclosure Timeline



Developed by the Maryland Housing Counselors Network, Inc. for homeowners.

THE NETWORK



KNOWLEDGE - THE KEY TO HOMEOWNERSHIP

MORTGAGE LATE? DON'T WAIT!

CONTACT YOUR MORTGAGE SERVICER NOW!

Call your mortgage servicer (“servicer”) as soon as possible to discuss your options to avoid foreclosure.

- The contact information for your servicer is on your monthly statement. Tell your servicer if you are experiencing a financial hardship.
- Ask your servicer to evaluate your eligibility for programs to avoid foreclosure – this is called a “loss mitigation review”.

Remain in contact with your servicer throughout the loss mitigation review process.

- Check your mail frequently. Promptly respond to voicemails and requests for information from your servicer.
- Make sure your servicer has your current contact information. Your servicer may proceed with foreclosure if you are unresponsive or if it is unable to reach you.

Do not skip payments if you can afford to pay your regular installment amount on time.

- There is no reason to purposefully go into default to qualify for foreclosure prevention or loss mitigation programs. Doing so could negatively affect your credit and impact your eligibility for such programs.
- If you can afford to make partial payments, **discuss this option with your servicer first.** Depending on the terms of your mortgage, partial payments may not be sufficient to keep your loan out of default.

Prepared by the Maryland Office of Financial Regulation. This document is for informational purposes only and not to be interpreted as legal advice.

Your mortgage servicer is the company that you send your mortgage payments to.

The servicer is responsible for collecting and managing your payments, among other duties.

Your servicer may not be the same company that originated your mortgage loan. Your servicer may change periodically - it is normal for mortgage loans to be transferred to new servicers.

You will be notified by mail if your servicer changes. Promptly open all mail, and inform your servicer if you change your mailing address, email, or phone number.

Help is Available for Maryland Homeowners

Contact a nonprofit legal services agency or a HUD-approved housing counseling agency for assistance avoiding foreclosure on your home.

Call 1-877-462-7555 for a referral to a nonprofit agency near you, or visit homeownerassistance.maryland.gov online to access Maryland's free foreclosure-prevention resources



Maryland
DEPARTMENT OF LABOR
Office of Financial Regulation



DEPARTMENT OF LABOR
Office of Financial Regulation

YOUR RIGHTS AS A MORTGAGE BORROWER IN MARYLAND



You have the right to receive from your mortgage servicer timely answers to your questions, and a prompt response after you ask to be reviewed for options to avoid foreclosure.

- You are also entitled to receive an accurate copy of your payment history, if you request this from your servicer.
- Keep a written record of all your interactions with your servicer, including who you spoke with and when.

You have the right to be informed by your mortgage servicer of all your loss mitigation options.

- Contact your servicer and ask about your options to avoid foreclosure ("loss mitigation"). Do not be afraid to ask questions if you don't understand the financial implications.
- If you would like to dispute the results of the loss mitigation review, ask your servicer if there is an appeals process.

You have the right to participate in a mediation session with your servicer if you are served with foreclosure papers and your home is your primary residence.

- Do not wait until mediation to begin communicating with your servicer. The sooner you reach out for help, the more likely you will be able to avoid foreclosure.
- Legal services may be available, for free or at a reduced rate, to help you during your mediation session. To learn more about Maryland's foreclosure mediation program, visit the website homeownerassistance.maryland.gov.

NOTE: Some mortgage servicers may be exempt from certain state or federal requirements. Contact our office if you need help with your servicer.

Beware of Foreclosure-Prevention Scams!

Fraudulent "mortgage assistance relief" services and "foreclosure consultant" scams are common, but there are ways to protect yourself:

DO NOT PAY

anyone in advance to assist you with a *loan modification*.
Call 1-877-462-7555 for a referral to a qualified Maryland housing counselor who will provide free help.

DO NOT SEND

your payments to anyone other than your servicer.

DO NOT BELIEVE

anyone promising that they will "save your home".

DO CONTACT

our office immediately if you are the victim of mortgage assistance fraud or a foreclosure consultant scam.

Call 410-230-6077 or email CSU.Complaints@maryland.gov for assistance.

The Office of Financial Regulation is Maryland's consumer financial protection agency and financial services regulator. Contact our office if you have a question or complaint about your mortgage servicer or to report a foreclosure prevention scam.

Visit labor.maryland.gov/finance/consumers/mortforeinfo.shtml to learn more.

Office of Financial Regulation
Maryland Department of Labor
1100 North Eutaw Street, Suite 611,
Baltimore, MD 21201
410-230-6100 | Toll-free: 1-888-784-0136
DLFRFinReg-LABOR@maryland.gov



Visit us at
www.labor.maryland.gov/finance

Wes Moore, Governor
Aruna Miller, Lt. Governor
Portia Wu, Secretary,
Maryland Department of Labor
Antonio P. Salazar,
Commissioner of Financial Regulation

AVOID FRAUD

Some companies or individuals may offer fraudulent “mortgage assistance relief” services by advertising so-called “loan modification experts” or “loss mitigation consultants”.

Here are a few tips to avoid being scammed:

- **Do not pay advance fees for loan modification assistance or delinquent mortgage counseling.** Charging advance or up-front fees for these services is illegal in Maryland.
- **Do not submit your payments to anyone other than your mortgage company,** unless you have your mortgage company’s written approval first.
- **Do not believe guarantees.** A reputable attorney or housing counselor will never promise that they can “save” your home, regardless of your circumstances.

Federal and state laws exist to protect homeowners from scams and fraud. If you feel you may be the victim of a loan modification scam or other foreclosure fraud, call the **Office of Financial Regulation** at **1-888-784-0136** to report it and file a complaint, or visit us online at www.labor.maryland.gov/finance.



Office of Financial Regulation
Maryland Department of Labor
1100 N. Eutaw Street, Suite 611, Baltimore, MD 21201
Main Phone: 410-230-6100
General Email: DLFRFinReg-LABOR@maryland.gov
Facebook /MarylandLabor | Twitter @MD_Labor
Website: labor.maryland.gov/finance



CHANGING
Maryland
FOR THE BETTER

Wes Moore, Governor
Aruna Miller, Lt. Governor
Portia Wu, Secretary
Antonio P. Salazar, Commissioner

FORECLOSURE

What You
Need to Know
as a Maryland
Homeowner



**OFFICE OF FINANCIAL
REGULATION**

Maryland Department of Labor

What You Need to Know About Foreclosure

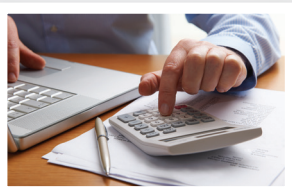


The Foreclosure Process

The following paragraphs summarize the **residential mortgage foreclosure process** in Maryland. This is not intended to constitute legal advice. For information particular to your situation, please contact an attorney or housing counselor.

A mortgage company must send a **Notice of Intent to Foreclose (NOI)** before it can initiate foreclosure proceedings in court. The NOI is a warning to the homeowner that their mortgage company may file a foreclosure court action against them. It must be sent by certified mail at least 45 days before the court filing. If the homeowner is interested in avoiding foreclosure, they should contact the mortgage company for a review of alternative options. This review is commonly referred to as a loss mitigation analysis. A loss mitigation application should be included with the NOI.

If the mortgage company wishes to pursue foreclosure, they file an **Order to Docket** in the Circuit Court. This is the filing that opens the foreclosure case in court. The mortgage company must wait at least 90 days after the first missed payment before filing the Order to Docket. (For some loans, however, the mortgage company must wait at least 120 days before filing the Order to Docket, as required by federal law.)



After filing, a copy of the Order to Docket and accompanying documentation is personally served on the homeowner or left with another resident at the house. Among the included documents will be one of the following:

- **Final Loss Mitigation Affidavit**, if the mortgage company has completed its loss mitigation analysis and concludes there are no alternatives to foreclosure available.
- **Preliminary Loss Mitigation Affidavit**, if the mortgage company has not yet completed its loss mitigation analysis. Once the mortgage company completes its analysis and if there are no alternatives to foreclosure available, a Final Loss Mitigation Affidavit will be filed as well and then mailed to the homeowner.

For owner-occupied properties, the Final Loss Mitigation Affidavit will come with a "Request for Foreclosure Mediation" form. To participate in mediation, the homeowner must submit this form to the Circuit Court within the deadline provided for under Maryland law. During the mediation hearing, a neutral third-party will assist with the review of loss mitigation programs that may be applicable to the loan. More information about foreclosure mediation can be found on the website homeownerassistance.maryland.gov.

If there are no alternatives to foreclosure available, the property will be auctioned at a foreclosure sale. The sale may occur as soon as 30 days after the Final Loss Mitigation Affidavit is mailed; or if a mediation session is held, the sale may occur as soon as 15 days after mediation. After the sale, the homeowner may have as little as 45 days before they could face eviction.

Help is Available for Homeowners

There are **FREE** resources available for homeowners!

Non-profit housing counselors are professionally trained and certified to assist homeowners who are facing foreclosure. Counselors are available to meet in person or over the phone to evaluate household budgets, discuss any alternatives to foreclosure, and act as a liaison between the homeowner and their mortgage company.

Non-profit legal service agencies have pro-bono or low-bono attorneys who can provide personalized legal advice to homeowners. A homeowner may wish to consult an attorney if they need assistance after an Order to Docket has been filed, before attending a mediation hearing, or if they are considering bankruptcy. Please be aware that some of these agencies have income restrictions for client eligibility.

To find a non-profit housing counseling or legal service agency near you, call the **Maryland Homeowner Assistance hotline** at **1-877-462-7555**. To learn more about the free resources for homeowners, visit the **Maryland Homeowner Assistance website** at homeownerassistance.maryland.gov.

Questions or Concerns?

More information about foreclosure can be found on our website at www.labor.maryland.gov/finance. You may also contact the Office of Financial Regulation's Consumer Services Unit by phone at **410-230-6077** or by email at DLFRComplaints-LABOR@maryland.gov.

HUD-Approved Housing Counseling Agencies

If you are behind on your mortgage payments, getting help early in the process can mean the difference between saving your home and losing it to foreclosure. A HUD-approved housing counseling agency can help you understand your options for avoiding foreclosure and work with you to achieve the solution that works best for you. Contact a housing counseling agency that provides foreclosure counseling and serves the area where your home is located. Housing counseling agencies that assist homeowners statewide are shown at the end of this list.

SERVICE AREA	FORECLOSURE COUNSELING	HUD-APPROVED HOUSING COUNSELING AGENCY	PHONE	WEBSITE
Allegany County	Yes	Allegany County Human Resources Development Commission Inc.	301-783-1704	www.alleganyhrdc.org
Anne Arundel County	Yes	Anne Arundel County Community Action Agency Inc.	410-626-1900	www.aaccaa.org
	Yes	Arundel Community Development Service Inc.	410-222-7600	www.acdsinc.org
	Yes	Reservoir Hill Improvement Council Inc.	410-225-7547	www.reservoirhillbaltimore.org
Baltimore City	Yes	Belair-Edison Neighborhoods Inc.	410-485-8422	www.belair-edison.org
	Yes	Comprehensive Housing Assistance Inc.	410-500-5300	www.chaibaltimore.org
	Yes	Druid Heights Community Development Corporation	410-523-1350	www.druidheights.com
	Yes	Dundalk Renaissance Corporation	410-282-0261	www.dundalkusa.org
	Yes	Garwyn Oaks Northwest Housing Resource Center Inc.	410-947-0084	www.go-northwesthrc.org
	Yes	Harbel Housing Partnership	410-444-9152	www.harbel.org
	Yes	Housing Options & Planning Enterprises Inc.	301-567-3330	www.hopefinancial.org
	Yes	Latino Economic Development Corporation	202-540-7401	www.ledcmetro.org
	Yes	Neighborhood Assistance Corporation of America-Baltimore MD	410-783-0465	www.naca.com
	No	Neighborhood Housing Services of Baltimore Inc.	410-327-1200	www.nhsbaltimore.org
	No	Operation Hope-Baltimore Branch	443-885-0845	www.operationhope.org
	Yes	Reservoir Hill Improvement Council Inc.	410-225-7547	www.reservoirhillbaltimore.org
	Yes	Southeast Community Development Corporation	410-342-3234	www.southeastcdc.org
Yes	St. Ambrose Housing Aid Center Inc.	410-366-8550	www.stambros.org	
Baltimore County	Yes	Belair-Edison Neighborhoods Inc.	410-485-8422	www.belair-edison.org

HUD-Approved Housing Counseling Agencies

SERVICE AREA	FORECLOSURE COUNSELING	HUD-APPROVED HOUSING COUNSELING AGENCY	PHONE	WEBSITE
	Yes	Centro de Apoyo Familiar	301-328-3292	www.mycaf.org
	Yes	Comprehensive Housing Assistance Inc.	410-500-5300	www.chaibaltimore.org
	Yes	Diversified Housing Development Inc.	410-496-1214	www.diversifiedhousing.org
	Yes	Druid Heights Community Development Corp.	410-523-1350	www.druidheights.com
	Yes	Dundalk Renaissance Corporation	410-282-0261	www.dundalkusa.org
	No	Eastside Community Development Corporation	410-340-7610	www.eastsidecdc.org
	Yes	Home Partnership Inc.	410-679-3200	www.homepartnershipInc.org
	No	Neighborhood Housing Services of Baltimore Inc.	410-327-1200	www.nhsbaltimore.org
	No	Operation Hope - Pikesville Branch	443-272-5725	www.operationhope.org
	Yes	Reservoir Hill Improvement Council Inc.	410-225-7547	www.reservoirhillbaltimore.org
	Yes	Southeast Community Development Corporation	410-342-3234	www.southeastcdc.org
Carroll County	See below for Statewide provider			
Calvert County	No	Lifestyles of Maryland Foundation	301-609-9900	www.lifestylesofmd.org
	Yes	Southern Maryland Tri-County Community Action Committee	301-274-4474; 301-870-3770	www.smtccac.org
Caroline County	Yes	Maryland Rural Development Corporation	410-778-1100	www.mrdc.net
Cecil County	Yes	Cecil County Housing Agency	410-996-5245	www.ccgov.org
	Yes	Home Partnership Inc.	410-679-3200	www.homepartnershipInc.org
	Yes	Maryland Rural Development Corporation	410-778-1100	www.mrdc.net
Charles County	Yes	HomeFree-USA	855-493-4002	www.homefreeusa.org
	Yes	Housing Options & Planning Enterprises Inc.	301-567-3330	www.hopefinancial.org
	No	Lifestyles of Maryland Foundation	301-609-9900	www.lifestylesofmd.org
	Yes	Southern Maryland Tri-County Community Action Committee	301-274-4474; 301-870-3770	www.smtccac.org
Dorchester County	No	Habitat for Humanity Choptank	410-476-3204	www.habitatchoptank.org
	Yes	Maryland Rural Development Corporation	410-778-1100	www.mrdc.net
	Yes	Telamon Corporation-Salisbury Branch	443-366-3594	www.telamon.org
Frederick County	Yes	Frederick Housing and Human Services	301-600-1506	www.cityoffrederick.com

HUD-Approved Housing Counseling Agencies

SERVICE AREA	FORECLOSURE COUNSELING	HUD-APPROVED HOUSING COUNSELING AGENCY	PHONE	WEBSITE
Garrett County	Yes	Garrett County Community Action Committee Inc.	301-334-9431	www.garrettcac.org
Harford County	Yes	Harford County Office of Community and Economic Development	410-638-3045	www.harfordhousing.org
	Yes	Home Partnership Inc.	410-679-3200	www.homepartnershipInc.org
	Yes	HomeFree-USA	855-493-4002	www.homefreeusa.org
Howard County	No	Making Change Center	443-518-7647	www.makingchangecenter.org
Kent County	Yes	Maryland Rural Development Corporation	410-778-1100	www.mrdc.net
Montgomery County	Yes	Centro de Apoyo Familiar	301-328-3292	www.mycaf.org
	Yes	HomeFree-USA	855-493-4002	www.homefreeusa.org
	Yes	First Home Alliance	877-250-9025	www.firsthomealliance.org
	Yes	Housing Initiative Partnership Inc. - Germantown	301-916-5946	www.hiphomes.org
	Yes	Latino Economic Development Corporation	202-540-7401	www.ledcmetro.org
	Yes	Money Management International - Silver Spring	866-232-9080	www.moneymanagement.org
	Yes	Sowing Empowerment and Economic Development	301-458-9808	www.seedInc.org
Prince George's County	Yes	Centro de Apoyo Familiar	301-328-3292	www.mycaf.org
	Yes	HomeFree-USA	855-493-4002	www.homefreeusa.org
	Yes	Housing Initiative Partnership Inc. - Hyattsville	301-699-3835	www.hiphomes.org
	Yes	Housing Options & Planning Enterprises Inc.	301-567-3330	www.hopefinancial.org
	Yes	Latino Economic Development Corporation	202-540-7401	www.ledcmetro.org
	Yes	Sowing Empowerment and Economic Development	301-458-9808	www.seedInc.org
Queen Anne's County		Maryland Rural Development Corporation	410-778-1100	www.mrdc.net
	Yes	Shore Up! Inc.	410-749-1142	www.shoreup.org
	Yes	Salisbury Neighborhood Housing Service Inc.	410-543-4626	www.salisburynhs.org
Somerset County	Yes	Shore Up! Inc.	410-749-1142	www.shoreup.org
	Yes	Telamon Corporation-Salisbury Branch	443-366-3594	www.telamon.org
	Yes	Telamon Corporation-Salisbury Branch	443-366-3594	www.telamon.org
St. Mary's County	No	Lifestyles of Maryland Foundation	301-609-9900	www.lifestylesofmd.org

HUD-Approved Housing Counseling Agencies

SERVICE AREA	FORECLOSURE COUNSELING	HUD-APPROVED HOUSING COUNSELING AGENCY	PHONE	WEBSITE
	Yes	Southern Maryland Tri-County Community Action Committee	301-274-4474; 301-870-3770	www.smtccac.org
Talbot County	No	Habitat for Humanity Choptank	410-476-3204	www.habitatchoptank.org
Washington County	Yes	Hagerstown Neighborhood Development Partnership Inc.	301-797-0900	www.hagerstownhomestore.org
Wicomico County	Yes	Salisbury Neighborhood Housing Service Inc.	410-543-4626	www.salisburynhs.org
	Yes	Shore Up! Inc.	410-749-1142	www.shoreup.org
	Yes	Telamon Corporation-Salisbury Branch	443-366-3594	www.telamon.org
Worcester County	Yes	Salisbury Neighborhood Housing Service Inc.	410-543-4626	www.salisburynhs.org
	Yes	Shore Up! Inc.	410-749-1142	www.shoreup.org
	Yes	Telamon Corporation-Salisbury Branch	443-366-3594	www.telamon.org
Statewide	Yes	Money Management International	866-889-9347	www.moneymanagement.org
	No	Neighborhood Housing Services of Baltimore Inc.	410-327-1200	www.nhsbaltimore.org
	Yes	NID Housing Counseling Agency	833-940-4932	www.nidhousing.com
	Yes	St. Ambrose Housing Aid Center Inc.	410-366-8550	www.stambros.org

Revised: October 2023

Legal Services Providers

Nonprofit legal services providers assist homeowners whose mortgage company has filed a foreclosure action in court. If you receive a Notice of Intent to Foreclose (NOI) or an Order to Docket (OTD) from the courts, consider contacting a legal services provider as soon as possible. Contact a provider that serves the area where your home is located. Additional information about nonprofit legal services providers in Maryland is available at www.mlsc.org.

SERVICE AREA	NONPROFIT LEGAL SERVICES PROVIDERS	PHONE	WEBSITE
Allegany County	Allegany Law Foundation	301-722-3390	www.alleganylaw.com
Baltimore City	Baltimore Bar Foundation - Senior Legal Services Program	410-539-5936	www.baltimorebar.org
Baltimore City - Only assists tenants impacted by foreclosure	Public Justice Center of Maryland	410-625-9409	www.publicjustice.org
Baltimore City	St. Ambrose Housing Aid Center	410-366-8550 x249	www.stambros.org
Baltimore City, Prince George's County	Pro Bono Resource Center of Maryland	410-837-9379	www.probonomd.org
Caroline, Dorchester, Kent, Queen Annes, Somerset, Talbot, Wicomico, Worcester	Shore Legal Access	410-690-8128	www.shorelegal.org
Prince George's County	Community Legal Services of Prince George's County Inc.	240-391-6370	www.clspgc.org
Statewide - reduced fee legal assistance for moderate-income households	Civil Justice Inc.	443-853-1011	www.civiljusticenetwork.org
Statewide	Legal Aid Bureau Inc.	888-213-3320	www.mdlab.org
Statewide	Maryland Volunteer Lawyers Services Inc.	410-547-6537 (9am-12pm, Monday-Thursday)	www.mvlslaw.org

Revised: October 2023

SB 671_realtors_unf.pdf

Uploaded by: William Castelli

Position: UNF



**Senate Bill 671 – Foreclosure Proceedings – Residential Mortgagors and Grantors –
Access to Counsel**

Position: Unfavorable

Maryland REALTORS® recommends an unfavorable report for SB 671. Although the REALTORS® have no position on low-income homeowners receiving free legal services related to foreclosure proceedings, the REALTORS® do not support funding the program through another fee on real estate sales.

While some may argue that the fee imposed by SB 671 is modest, the real estate transaction is already taxed at many different levels and for many different purposes. In addition to two transfer taxes, a recordation tax, a recording fee, property taxes, and property surtaxes for some jurisdictions, the real estate transaction helps fund schools, electronic records for the courts, the clerk's office, state bond interest payments, open space, local county parks, and agricultural preservation programs. Like foreclosure representation, these are all important programs, but the real estate should not be continually tapped to fund new initiatives.

For these reasons, the REALTORS® recommend an unfavorable report.

**For more information contact lisa.may@mdrealtor.org or
christa.mcgee@mdrealtor.org**

SB 671 [Opposition 2024].pdf

Uploaded by: William O'Connell

Position: UNF



Real Property Section

To: Judicial Proceedings (Senate)

From: Legislative Committee of the Real Property Section Counsel

Date: February 19, 2024 [Hearing Date February 20, 2024]

Subject: **SB 671 – Foreclosure Proceedings - Residential Mortgagors and Grantors - Access to Counsel**

Position: **Opposed**

The Real Property Section Counsel of the Maryland State Bar Association (MSBA) **opposes Senate Bill 671 – Foreclosure Proceedings - Residential Mortgagors and Grantors - Access to Counsel** to the extent that it seeks to fund the provisions of the bill on the back of all sales of residential real property in Maryland (i.e., against consumers who are paying their mortgage and those that are not).

While providing access to counsel in residential foreclosure proceedings may be commendable, we believe that the funding for such a program should be borne by the citizens of the state as a whole and not simply residential property owners who seek to sell their property.

Thus, section 10-714 (i.e., lines 10 – 20 on page 7) should be stricken in its entirety. To wit:

~~10-714.~~

~~(A) — THE COMPTROLLER SHALL COLLECT A FEE ON EACH RESIDENTIAL PROPERTY SALE AS FOLLOWS:~~

- ~~(1) \$25 ON A SALE OF LESS THAN \$200,000;~~
- ~~(2) \$50 ON A SALE OF AT LEAST \$200,000 BUT LESS THAN \$350,000;~~
- ~~(3) \$100 ON A SALE OF AT LEAST \$350,000 BUT LESS THAN \$500,000;~~

~~AND~~

- ~~(4) \$250 ON A SALE OF \$500,000 OR MORE.~~

~~(B) FEES COLLECTED UNDER THIS SECTION SHALL BE PAID TO THE ACCESS TO COUNSEL IN FORECLOSURE PROCEEDINGS SPECIAL FUND ESTABLISHED UNDER § 7-3A-08 OF THIS ARTICLE.~~

According to the Baltimore Sun, “Transfer taxes in Md. are fifth-highest in U.S., study finds”.
<https://www.baltimoresun.com/2003/01/19/transfer-taxes-in-md-are-fifth-highest-in-us-study-finds/>

The cost to transfer real property in Maryland is already exceptionally high. This bill seeks to make selling and buying real property in Maryland even worse for consumers.

According to SDAT, in 2023 the median sales price of improved residential property was \$410,000 and there were 63,572 transactions.

<https://dat.maryland.gov/Documents/statistics/FY2023-RSBQ-Q4.pdf>

And 2023 was one of the worst years in terms of number of transactions in many, many years (and if one accounts for population growth, it was probably the worst ever). Thus, if this bill was in effect in 2023 it would have raised \$6,357,200 *in a single year* at a time when foreclosure activity is at historic lows.

<https://dhcd.maryland.gov/Documents/ForeclosureRpts/ForeclosureMD-23Q1.pdf>

In addition, the funding mechanism provides no accountability; just an ever growing fund.

For these reasons, the Real Property Section Counsel of the MSBA **opposes SB 671 to the extent that it seeks funding from the sale of residential real property and asks for that portion of the bill to be stricken.** Thank you for your consideration.