

**Hearing In The Maryland House Of Delegates Set for March 11, 2025  
Closed to Public Testimony**

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**TESTIMONY ON HB1516  
UNFAVORABLE**

**‘Financial Institutions - Consumer Credit - Application of Licensing Requirements (Maryland Secondary Market Stability Act of 2025)’**

**- Or More Appropriately -**

**‘Allow Unlicensed Zombie Scam Artists to Prey Upon Minority and Other Vulnerable Communities and Steal Their Homes Act of 2025’**

**TO:** Chair Wilson and Members of the Economic Matters Committee,

My name is Scott Webber, resident of Montgomery County, writing in OPPOSITION to HB1516 by virtue of its harshly anti-consumer intent that intentionally harms Maryland consumers and has the probably result of costing Maryland residents multiple billions of dollars.

I ask a bit of grace, as well as a note of protest that this bill is being unnecessarily and unfairly rushed through without proper public input. Although it has been in the works for over 6 months, it was snuck into the 2025 Session after the bill drop date, and as ‘Emergency’ legislation, which is highly disgenuous. It was also voted out of Rules on 3/6 and sent to Committee, who immediately set a hearing for 3/11, giving the public only 3/7 before 6PM to sign up and submit tesimony. Still yet, because of the way in which it was snuck in under cloak of darkness, it was turned into a ‘Sponsor Only’ hearing, compeley excluding the public from having their voices heard other than hastily-written testimony with less than one day’s notice.

Chuck Cook, Chief Legislative Officer for DHCD was contacted and he knew nothing about this legislation.

Steven Sakamoto-Wengel of the Attorney General’s was contacted and stated that their office was not consulted regarding this effort by the Governor to exempt predatory lenders from having to be licensed.

Multiple housing and consumer avocates were contacted and NONE have reported being contacted to assist with, or even comment on this anti-consumer, anti-housing legislation.

I have to share that this absolutely REEKS of VERY disturbing and undemocratic ‘dirty politics’, that looks like it is intentionally being rammed through the ‘process’ by powerful / wealthy insiders with the absolute minimal amount of public access and input, by the Moore Administration, appearing to be a favor to Tisha Edwards, who was just hired by the Maryland

Bankers Association to be their CEO, which appears to be the primary sponsor of this legislation, emanating from lobbyist Bob Enten, and with full cooperation from Commissioner Salazar, but no participation or communication with any citizens or consumers or consumer protection advocates. It addresses issues and matters that are remarkably similar to multiple conversations I had with a gentleman formerly with the OFR named Judd Bellman, at which time we were discussing, ironically, options to make licensure MORE comprehensive, given that so many UNLICENSED predatory players were foreclosing on vulnerable homeowners that were going completely under the radar of the OFR because they were... UNLICENSED, and thus, not subject to the normal regulatory scrutiny.

I only have about 10 minutes to write this entire testimony, so please give me a bit of grace while I simply grab some notes and 'paste'.

This legislation is intentionally targeted to allow unlicensed zombie loan bottom feeders whose sole business model is to extract as much equity from a vulnerable homeowner as possible before they know what bit them, all completely outside the scrutiny and watchful eyes of regulators.

The ONLY reason to not be licensed, is the fear of being regulated.

Think of the absurdity of carving out exceptions for licensing doctors, lawyers, or plumbers, or electricians, based entirely on whether one is a friend of the governor or not. Folks here shout to the ceiling to license and regulate vape shops that have helped more people reduce or quit smoking than ANY other effort, saving MD taxpayers BILLIONS of dollars. But you want to allow bloodsucking foreclosure scam artists to go UNlicensed and unregulated, costing MD's citizens billions of dollars in lost property? Think about that....

I spoke with Cliff Charland of the OFR. He confirmed that most normal loans are gov't backed & licensed already, but it is the jumbo and high-risk loans that will be most affected if everybody has to be licensed.

Think about that... the most risky loans – from marginal lenders - which carry the highest chance of being predatory – are the very loans the proponents of HBI516 are trying to give cover of darkness. INSANE!! Unless one is intentionally setting folks up for failure.

Appellate Case - Brown v. Ward:

<https://law.justia.com/cases/maryland/court-of-special-appeals/2024/1009-23.html>

Law Firm Analysis:

<https://www.rlf.com/maryland-seeks-to-require-licenses-for-rmbs-trusts-our-observations/>

In summary, this 'Emergency' bill would allow zombie loan predators who buy up bulk debt [often bundled & securitized MBSs] to foreclose on folks without having a license or being regulated like 'regular' lenders... like mortgagors... credit unions... banks...

The MBA strategy is a 'blitzkrieg' under the smoke of an 'emergency' being completely fabricated that the Brown case - and the threat of predatory secondary mortgage investors fleeing the state in droves if they have to be licensed - will completely dry up the secondary mortgage market, wherein the originators will have nobody to sell to, and INSTANT HOUSING CRISIS!!! The only problem is that there is absolutely NO shortage of legitimate players who ARE licensed, wear the 'White Hats', and would love to fill in the business vacated by the scammers who have run out of state. AND... thousands of folks would NOT be foreclosed upon illegally.

Keep in mind, these are the folks who drove the housing crisis of 2008-2010, most viciously in PG County, and are coming back alive now that home values have increased equity so high. Attached is a quick chart I put together tracking the 5 most foreclosed-upon counties in MD. You cannot help but notice one of them is Montgomery County, similar to Anne Arundel. Next are the Baltimores - DOUBLE MoCo & AA. And then there is Prince George's at **TRIPLE** MoCo & AA!!!

I've done a deep dive into the data, and the ONLY thing that can explain such disparity is the COLOR of the 'soil'. What else could it possible be?

Any of you care to guess where the greater number of unlicensed predatory zombie junk loans can be found?

Much of this was kept somewhat in check by the fine folks at the CFPB. However....

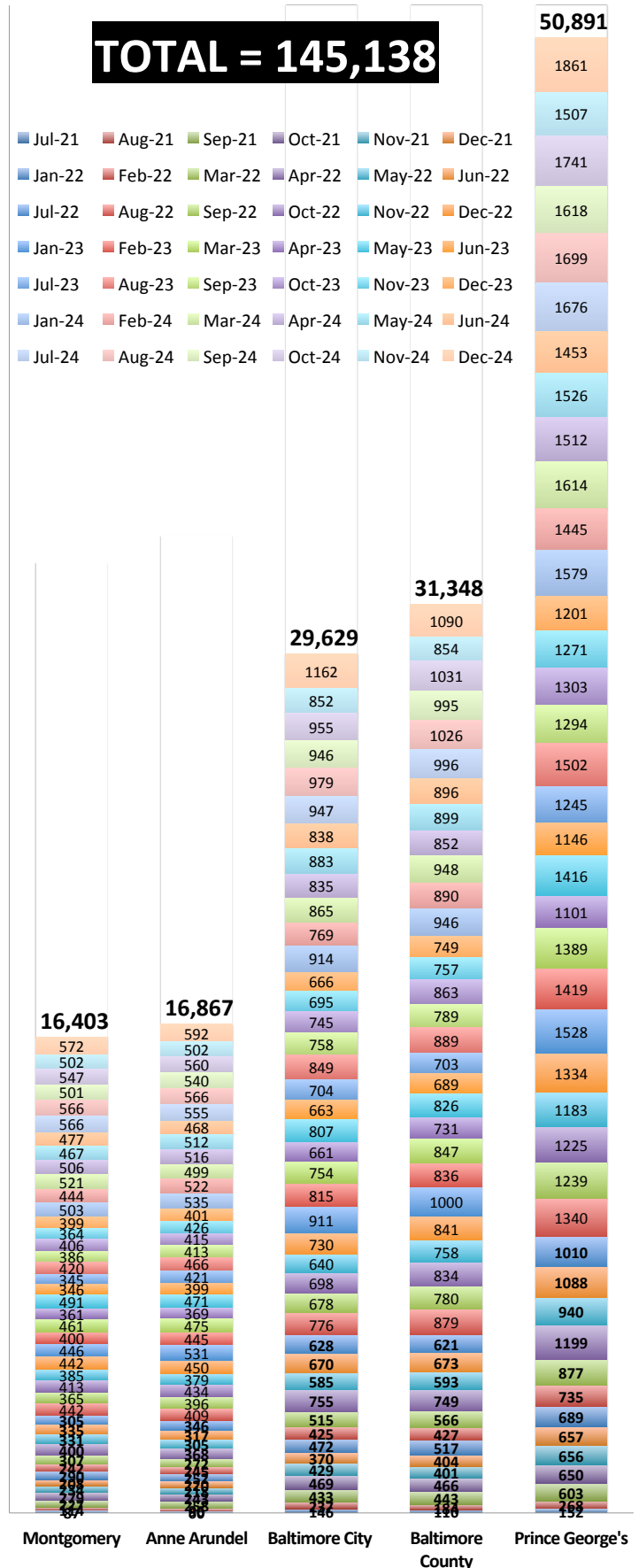
Anybody who votes for this bill needs to be held accountable to the thousands of families and billions of dollars that will be destroyed by this cruel legislation.

I respectfully urge this committee to return a UNFAVORABLE report on HB1516 for the clear reason that it will harmful

Most Sincerely,  
~Scott Webber

# MD Foreclosure Notices Post-Pandemic: Top 5 Counties

Date	Montgomery	Anne Arundel	Baltimore City	Baltimore County	Prince George's	
Jul-21	87	60	146	110	152	
Aug-21	114	96	237	184	268	
Sep-21	227	258	433	443	603	
Oct-21	279	243	469	466	650	
Nov-21	234	218	429	401	656	
Dec-21	208	220	370	404	657	
Jan-22	290	252	472	517	689	
Feb-22	242	245	425	427	735	
Mar-22	307	272	515	566	877	40000
Apr-22	400	368	755	749	1199	
May-22	331	305	585	593	940	
Jun-22	335	317	670	673	1088	
Jul-22	305	346	628	621	1010	
Aug-22	442	409	776	879	1340	
Sep-22	365	396	678	780	1239	
Oct-22	413	434	698	834	1225	
Nov-22	385	379	640	758	1183	
Dec-22	442	450	730	841	1334	
Jan-23	446	531	911	1000	1528	
Feb-23	400	445	815	836	1419	
Mar-23	461	475	754	847	1389	
Apr-23	361	369	661	731	1101	
May-23	491	471	807	826	1416	
Jun-23	346	399	663	689	1146	
Jul-23	345	421	704	703	1245	
Aug-23	420	466	849	889	1502	
Sep-23	386	413	758	789	1294	
Oct-23	406	415	745	863	1303	
Nov-23	364	426	695	757	1271	
Dec-23	399	401	666	749	1201	
Jan-24	503	535	914	946	1579	
Feb-24	444	522	769	890	1445	
Mar-24	521	499	865	948	1614	
Apr-24	506	516	835	852	1512	
May-24	467	512	883	899	1526	
Jun-24	477	468	838	896	1512	
Jul-24	566	555	947	996	1614	
Aug-24	566	566	979	1026	1445	
Sep-24	501	540	946	995	1579	
Oct-24	547	560	955	1031	1676	
Nov-24	502	502	852	854	1453	
Dec-24	572	592	1162	1090	1861	
<b>TOTAL'</b>	<b>16,403</b>	<b>16,867</b>	<b>29,629</b>	<b>31,348</b>	<b>50,891</b>	<b>145,138</b>



Compiled From DLLR CFR Foreclosure Tracker  
[https://opendata.maryland.gov/Housing/Maryland-Foreclosure-Notice-Data-by-County/w3bc-8mnv/data\\_preview](https://opendata.maryland.gov/Housing/Maryland-Foreclosure-Notice-Data-by-County/w3bc-8mnv/data_preview)  
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