

ADRIAN BOAFO
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ASSISTANT MAJORITY LEADER

Economic Matters Committee



The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Chair Marc Korman
Committee Room 250
House Office Building
Annapolis, Maryland 21401

Chair Korman, Vice-Chair Boyce, and Members of the Environment and Transportation Committee,

HB1428, the End Hedge Fund Control of Maryland Homes Act, is a critical step toward addressing the growing crisis of corporate ownership in Maryland's housing market. Modeled after national efforts, this bill seeks to phase out hedge funds and private equity firms from the single-family home market over five years. It does so by imposing an excise tax—the Excess Ownership of Single-Family Residences Excise Tax—on the acquisition and excessive ownership of properties by these entities.

A portion of the tax revenue will fund the Down Payment and Settlement Expense Loan Program Fund, a non-lapsing fund designed to help aspiring homeowners. Additionally, the bill requires hedge funds to gradually sell a percentage of their single-family home holdings to families through a multi-year phase-out program.

The need for this legislation is clear. In 2022, investors in Charlotte, North Carolina, bought 17% of the city's homes in cash, often outbidding first-time homebuyers. Across the country, hedge funds target modestly priced homes, particularly in Black and Latino communities, only to rent them back at inflated prices. This unchecked corporate influence is driving up costs, displacing families, and destabilizing neighborhoods.

HB1428 provides a direct intervention. It disincentivizes corporate ownership through taxation while reinvesting in Maryland families through homeownership assistance. To further protect buyers, the bill ensures that for the first 30 days after a property is listed, only individuals, community development groups, nonprofits, or small real estate companies (owning less than 3% of local homes) can make offers.

This legislation presents a real solution to a pressing problem, echoing the struggles of families nationwide who are being outcompeted by investors. It's time to put people over profit and communities over corporations. I urge the committee to support HB1428 and help restore the dream of homeownership for all Marylanders.

For these reasons, I strongly urge a favorable report on HB1428.

Thank you,

A handwritten signature in black ink, appearing to read "Adrian Boafo".

Delegate Adrian Boafo