

**DATE:** March 4th, 2025  
**BILL NO.:** House Bill 1302  
**TITLE:** Housing and Community Development – Housing Counseling  
**COMMITTEE:** Environment and Transportation

### **Letter of Information**

#### **Description of Bill:**

House Bill 1302 would require recipients of Department of Housing and Community Development funding used to construct, acquire, or rehabilitate residential property for housing to offer housing counseling services to prospective residents as a condition of receiving the funds.

#### **Background and Analysis:**

Currently, the Department of Housing and Community Development strongly recommends housing counseling to anyone involved in the homebuying process to gain objective information about the process and its requirements and to help identify sources of assistance. The Department makes referrals to homebuyers looking for counselors and keeps an accessible, updated list of HUD-approved housing counseling agencies, comprised of both county and statewide agencies, on its website.

House Bill 1302 requires anyone receiving funding from DHCD to construct, acquire, or rehabilitate residential properties, which includes developers receiving funding through the Community Development Administration (CDA) or Neighborhood Revitalization (NR) and homebuyers, who receive funding to acquire housing through the Maryland Mortgage Program (MMP). The Department does not currently have any requirements for developers who have received funding from CDA or NR to offer housing counseling services to prospective residents. However, the Department does require homebuyers who receive funding from MMP to receive housing counseling as a condition of many of the loans provided through the program. Lenders, insurers, and servicers may also have requirements for housing counseling that DHCD can help homebuyers fulfill as well.

House Bill 1302's requirement of recipients of funding to acquire housing to provide housing counseling services is currently being fulfilled through the MMP's requirement of housing counseling for the loans provided. The current breadth of the Department's ability to refer housing counseling services to prospective homebuyers is comprehensive and up to date, meaning that many homebuyers will encounter the resources DHCD provides and refers throughout the homebuying process, regardless of them or the developer of their housing being a recipient of Department funding.