



Testimony in SUPPORT of HB273
Residential Leases - Late Payment Penalties - Calculation

House - Environment and Transportation Committee

Jose Coronado-Flores , On Behalf of CASA

January 28th, 2025

Dear Honorable Chair Korman and Members of the Committee,

CASA is pleased to offer favorable testimony in support of **HB273**. CASA is the largest immigrant services and advocacy organization in Maryland, and in the Mid-Atlantic region, with a membership of over 60,000 Black and Latino immigrants and working families in the state.

HB273 is important legislation that addresses unfair late penalties for partial payments made by tenants who try their best to make payment deadlines. Late fees should be proportional to the amount owed. Considering that our membership often works at lower wages, they are especially at risk of being unable to pay rent in its entirety. Medical bills and emergencies, sudden necessary expenses, and the risk of instability of employment might contribute to one's inability to make full rental payments.

Tenants who are able to make partial payments should have penalties that are commensurate with the unpaid amount instead of the total fixed rental rate. Low-income renters do their best to stay current on payments but imposing aggressive late fees can be overwhelming and unfair to tenants who make partial payments.

CASA members face unstable finances in their day-to-day life, and many will do anything possible to meet full payments. However, those who make partial payment should not bear the entire burden of late penalties when they owe less than the monthly rent. We need to work to put people on the trajectory to recovering from incomplete payments instead of doom them to further financial hardship. For these reasons, CASA urges a favorable report.

Jose Coronado-Flores

Research and Policy Analyst

jcoronado@wearecasa.org, 240-393-7840