



SB 566
REAL PROPERTY - FILING FEE FOR RESIDENTIAL MORTGAGE FORECLOSURE – INCREASE
HEARING BEFORE THE SENATE JUDICIAL PROCEEDINGS COMMITTEE
February 6, 2025
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. **PBRC supports SB 566 because the foreclosure filing fee directly helps vulnerable homeowners who are under economic strain receive free legal and non-legal services to avoid foreclosure and displacement.**

SB 566 would increase the filing fee for residential foreclosures. These filing fees fund Maryland DHCD's Maryland Housing Counseling Fund (MHCF), which pays for legal services and housing counseling, as well as foreclosure mediation. **This fee has remained at \$300, unchanged, since 2010.** PBRC receives MHCF funds to support our work, which has enabled us to serve hundreds of clients. Crucially, PBRC's MHCF grant is our primary source of funding that allows us to provide foreclosure counseling to homeowners anywhere in the state, regardless of income – which helps to close the justice gap for middle-income homeowners who cannot afford an attorney but are just over the income threshold to qualify for other available services permitted for only very low-income homeowners.

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. 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. Thousands of these homeowners, already struggling to make ends meet, are facing foreclosure proceedings but do not have the funds required to pay an attorney.

Increasing the foreclosure filing fee to \$600 will help ensure that homeowners across the state have access to expert assistance to avoid foreclosure. We know the positive effect of providing free counsel to those in proceedings, particularly when something as fundamental as housing is at stake.

Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE report on SB 566.

Please contact Allison Harris, Director of PBRC's Home Preservation Project, with any questions.
aharris@probonomd.org • 443-703-3050