



SB 682 - Real Property – Residential Foreclosures – Materially Delinquent Mortgages

Senate Judicial Proceedings Committee

February 25, 2025

SUPPORT

Chair Smith, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 682. This bill will require financial institutions to take specific steps through the foreclosure of residential mortgages.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Senate Bill 682 addresses a significant gap in Maryland's mortgage foreclosure process by ensuring that homeowners receive clear, accurate, and timely information when facing foreclosure. This issue has recently been discussed in [NPR](#) and is currently being addressed [in other states](#). As you may already know, the impacts of "zombie mortgages" are primarily on low-income working families, and in many cases leave homeowners with unexpected and sudden foreclosure proceedings. At the CASH Campaign of Maryland, we work with low- and moderate-income individuals who are striving to maintain financial stability. Many of these individuals are homeowners who, due to financial hardship, may fall behind on mortgage payments and find themselves at risk of foreclosure. Unfortunately, current processes can leave homeowners confused about their rights and options, making it difficult for them to navigate a system that often moves quickly and without sufficient transparency.

This bill would require mortgage lenders and servicers to provide detailed notices that clearly outline the status of a foreclosure, available options for homeowners, and key timelines they must meet to protect their homes. Without these protections, struggling homeowners, especially those with limited financial education or access to legal assistance, may lose their homes unnecessarily due to a lack of information or confusion about their rights. At CASH, we have seen clients who could have avoided foreclosure had they received clear communication about their options, such as loan modifications or mediation programs. By ensuring that homeowners receive the information they need in a timely and understandable manner, SB 682 helps prevent avoidable foreclosures, stabilizes communities, and protects Maryland families from losing their homes due to unclear or inadequate foreclosure procedures.

Thus, we encourage you to return a favorable report for SB 682.

Creating Assets, Savings and Hope