

Written Testimony SB 566 - Foreclosure Filing Fee.

Uploaded by: Allison Harris

Position: FAV



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

Sen sydnor Fav Testimony for Senate Bill 566.pdf

Uploaded by: Charles E. Sydnor III

Position: FAV

CHARLES E. SYDNOR III, ESQ.
Legislative District 44
Baltimore County

DEPUTY MAJORITY WHIP

Judicial Proceedings Committee
Executive Nominations Committee

Joint Committees

Administrative, Executive, and
Legislative Review

Children, Youth, and Families
Senate Chair, Legislative Ethics



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Charles.Sydnor@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony for Senate Bill 566
Real Property – Filing Fee for Residential Mortgage Foreclosure-Increase
Before the Judicial Proceedings Committee
February 6, 2025

Good afternoon, Chair Smith, and members of the Judicial Proceedings Committee,

Senate Bill 566 (“SB 566”) is a simple and straightforward bill designed to increase fees and monies collected from foreclosure actions which will support the [Maryland Housing Counseling Fund Program \(“MHCF”\)](#) administered by the Maryland Department of Housing and Community Development. Since this fund was created in the aftermath of the Great Recession two decades ago, these monies supported Maryland’s non-profit housing counsel agencies and also Maryland legal service providers assisting our constituent’s facing foreclosure. In recent years the funding for these agencies has reduced significantly and Maryland’s non-profit partners have struggled to maintain services designed to assist borrowers with sustainable solutions to save their homes from foreclosure or alternatively seek a soft landing to a new home and avoid the negative consequences of a foreclosure to themselves and the community.

So, to reverse this trend, SB 566 will increase the foreclosure fees collected in each foreclosure action from \$300 (which was the original amount when the MHCF was created in 2008) to \$600. This is a fair increase when thinking about inflation alone has increased significantly since 2008 and the cost of services by our non-profit agencies has also increased during the same time period. Also, it should be noted that monies received from this fee will not come from the State but will be paid by Secured Parties commencing foreclosure actions. In many instances the Secured Parties will be able to recoup the fee in the later stages of the foreclosure process.

Given that most foreclosures are now commenced in Maryland by private equity funds who have taken over the secondary, mortgage market, it’s hard to say they will be unduly burdened by the increase fee which simply reflects increased inflation and also the cost of services by our non-profit partners. These entities have endless resources.

When the fee was originally established in 2008 homeowner advocates agreed to it for the means of the greater good that preventing a foreclosure whenever possible was a priority and the State did not have adequate resources to provide such direct services which could be carried out by out by its allies in the non-profit community. Given the realities of the State's current budget situation, this increase serves an even greater paramount purpose today since the State has little margin to provide the necessary, direct services.

For these reasons, I urge the committee to provide Senate Bill 566 a favorable report.

SB566_DHCD_SUPPORT.pdf

Uploaded by: Chuck Cook

Position: FAV

DATE: February 6, 2025

BILL NO.: Senate Bill 566

TITLE: Real Property – Filing Fee for Residential Mortgage Foreclosure – Increase

COMMITTEE: Senate Judicial Proceedings Committee

Letter of Support

Description of Bill:

Senate Bill 566 proposes to increase the filing fee required to accompany an order to docket or a complaint to foreclose a mortgage or deed of trust on residential property from \$300 to \$600. The bill does not propose any changes to existing law for foreclosure filings or process other than the fee.

Background and Analysis:

Revenues generated by foreclosure filing fees support the Housing Counseling and Foreclosure Mediation Fund (also known as the Maryland Housing Counseling Fund - MHCF), which was established by Housing and Community Development Article §4–507. The fund is administered by DHCD’s Division of Homeless Solutions. The majority of funds are allocated to nonprofit and local government housing counseling agencies that provide education, counseling, and legal assistance to low- and moderate-income households with preventing foreclosure, maintaining stable housing, building financial stability, reducing debt, becoming a homeowner and addressing tangled titles.

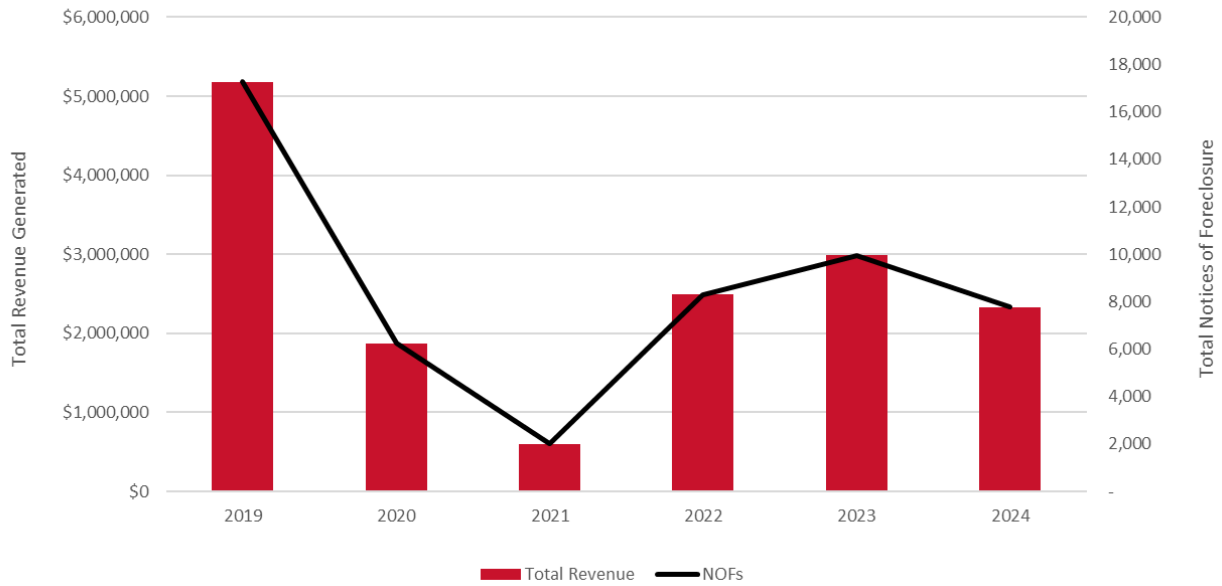
While revenues are generated solely by foreclosure activity, housing counseling agencies provide a wide array of services to current homeowners, future homebuyers, and renters that align with the Moore-Miller administration’s priorities to end child poverty and close the racial wealth gap. In FY24, 43 MHCF grantees provided services to over 6,300 individuals.

A portion of funds are also used to support foreclosure mediations facilitated by the Office of Administrative Hearings, foreclosure notice and housing counseling services mailing costs sent by the Department of Labor’s Office of Financial Regulation, and DHCD administrative costs for administering grants to community partners.

Need for Increased Filing Fees

- Due to steadily decreasing foreclosure filings over the last 5 years, revenues going into the Housing Counseling and Foreclosure Mediation Fund have decreased 55%, from \$5.1 million in 2019 to \$2,332,500 in 2024. Based on notice of foreclosure activity trends as of January 2025, DHCD projects that annual revenues in 2025 will be less than \$2 million. The significant decrease in state revenues is further exacerbated by the end of COVID-era federal assistance in 2025, which was used to award supplemental grants to housing counseling agencies in order to maintain level program funding over the last several years. Due to these decreasing revenues, DHCD anticipates that the total amount of MHCF housing counseling awards will decrease by at least \$500,000 between FY25 and FY26.

Housing Counseling Mediation Fund Revenues and Notices of Foreclosure 2019-2024



	NOFs	Filing Fee	Total Revenue
2019	17,277	\$300	\$5,183,100
2020	6,246	\$300	\$1,873,800
2021	2,002	\$300	\$600,600
2022	8,309	\$300	\$2,492,700
2023	9,949	\$300	\$2,984,700
2024	7,775	\$300	\$2,332,500
5-Year Change			-55%
1-Year Change			-22%

Impact to DHCD

- Increasing the filing fee from \$300 to \$600 would double the annual funds generated from filing fees, grant assistance provided to housing counseling agencies, and number of clients served for FY27. Total estimated annual funding for MHCF would increase to approximately \$4-5 million per year, dependent on foreclosure activity in FY26.

Community Impact

- Increasing filing fees may reduce the number of foreclosure actions that are filed with the court system, and it could serve as an incentive for mortgage servicers to continue working with homeowners through payment plans and loan modifications for a longer period of time. This may result in increased housing stability, homeownership retention, and greater generational wealth. Slowing down the judicial foreclosure process gives homeowners with unaffordable and unsustainable mortgages the opportunity to work with reliable housing counseling and legal services providers to identify solutions that avoid foreclosure, financial instability and displacement.
- Approximately 7% of MHCF grantees are local governments or quasi-public agencies, and 93% of MHCF grantees are nonprofit organizations.

DHCD Position

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on SB 566



Southeast CDC Testimony SB566 2-6-25.pdf

Uploaded by: Karen DeCamp

Position: FAV



SOUTHEAST

community development corporation

3323 Eastern Avenue, Suite 200
Baltimore, MD 21224
410-342-3234 | 410-342-1719 fax
www.southeastcdc.org

**Testimony to the Senate Judicial Proceedings Committee
SB599 Real Property - Filing Fee for Residential Mortgage Foreclosure - Increase
Position: Favorable**

February 6, 2025

The Honorable Senator William Smith, Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Judicial Proceedings Committee:

The Southeast Community Development Corporation (Southeast CDC) is a 50-year-old nonprofit in Baltimore. Southeast CDC is dedicated to growing and supporting a thriving, socioeconomically and racially diverse Southeast Baltimore where residents share in the success and improvement of their communities.

We are a HUD-approved housing counseling agency. Last year we served over 600 neighbors (67% of whom have low and/or moderate incomes) with first-time homebuyer counseling, foreclosure prevention counseling, post purchase counseling and rental counseling. During and since the foreclosure crisis and the Great Recession, we have helped hundreds of clients prevent foreclosure.

SB 566 would increase the filing fee for residential foreclosures. The fees fund the Maryland Housing Counseling Fund. The fund pays for housing counseling, legal services as well as foreclosure mediation – and Southeast CDC receives a grant from this fund.

Housing counseling legal aid nonprofits continue to serve our neighbors but are faced with decreasing funding. Raising the foreclosure filing fee is the best way to ensure that, in an uncertain economy, with uncertain federal funding, there are resources for nonprofits to continue to help vulnerable Marylanders who are facing the possible loss of their home.

Here is a recent client story that illustrates how our HUD-certified Housing Counselors help:

In April 2024, Ms. TE called our office in a crisis situation. She had received a letter from Wells Fargo stating that her mother's property had a sell date for next week and that the mortgage payments were behind \$25,000. We immediately scheduled her for an appointment and began formulating a plan to help her. In the housing counseling session, we learned that TE's mother had died 6 months earlier and

the widower (her stepfather) had stopped making mortgage payments without notifying the family. When they finally learned that the mortgage was behind, he was long gone, and the family could not contact him.

Our Housing Counselor held a joint phone call with Wells Fargo and TE. He convinced them to delay the sale and review all available loss mitigation options. This gave TE and her sister enough time to discuss their options. They eventually pieced together the \$25,000 needed to cure the delinquency and keep the home. TE's sister ended up moving in and assuming ownership.

Our Housing Counselor's work was key to saving the home from foreclosure sale and preserving the transfer of wealth to the next generation of this family.

We support SB 566 and urge a favorable report.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen DeCamp". The signature is written in a cursive, flowing style.

Karen DeCamp
Director of Homeownership and Family Success

SB566 Filing Fee Increase EconAction FAV.pdf

Uploaded by: Marceline White

Position: FAV



**Testimony to the Senate Judicial Proceedings Committee
Real Property - Filing Fee for Residential Mortgage Foreclosure - Increase
Position: Favorable**

February 6, 2025

The Honorable Senator William Smith, Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances economic rights and equity for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are here in strong support of SB566 which increases the filing fee required to accompany an order to docket or a complaint to foreclose a mortgage or deed of trust on residential property from \$300 to \$600.

Last May, Maryland had the highest rate of foreclosure filings in the country, with one out of every 2,550 homes¹. Economic Action surveyed 500 of our clients and supporters in July and August 2024 and housing costs were the number one area of financial distress for survey participants. Many had cut back on other essential needs to maintain their mortgage, insurance, and property taxes.

An increase in the foreclosure filing fee will better represent the cost of doing business to mortgage loan servicers. It will also support funding for legal service, financial counseling, and other providers to assist homeowners with reducing costs, increasing financial security and enabling them to retain their homes and equity or exit with dignity.

For all these reasons we support SB566 and urge a favorable report.

Best,

Marceline White
Executive Director

¹ <https://www.newsweek.com/thousands-americans-lose-their-homes-1903183>

2209 Maryland Ave · Baltimore, MD · 21218 · 410-220-0494

info@econaction.org · www.econaction.org

Tax ID 52-2266235

Economic Action Maryland Fund is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.



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Tax ID 52-2266235

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MVLS in Support of SB566.pdf

Uploaded by: Margaret Henn

Position: FAV



JUSTICE FOR ALL

MARYLAND SENATE BUDGET AND TAXATION COMMITTEE
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE
IN SUPPORT OF SB 0566: Real Property - Filing Fee for Residential Mortgage
Foreclosure - Increase
WEDNESDAY, FEBRUARY 6, 2025

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Chair Sydnor and distinguished members of the Committee, thank you for the opportunity to testify in support of Senate Bill 0566.

My name is Margaret Henn and I am the Deputy Director at Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS' founding in 1981, our statewide panel of over 1,700 volunteers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY24, MVLS volunteers and staff lawyers provided legal services to 2,950 people across the state. For the reasons explained below, we respectfully request a favorable report on House Bill 566.

I have over 12 years of experience representing homeowners facing foreclosure and the loss of their homes. Foreclosure law is a complex area that few attorneys understand, let alone a pro se litigant. For instance, I recently represented a 64 year old client who came to MVLS in a panic. She had been dutifully making every monthly payment on her mortgage since her mother passed away and prior to that, her mother had made every single monthly payment. What neither of them realized is that this loan was structured so that she was not paying any principal towards the loan. In August, she was hit with a \$21,000 balloon payment and faced foreclosure if she didn't pay it. On top of that, the mortgage company would not communicate with her because the loan was still technically in her mother's name. I was able to assist her in establishing "successor in interest" status so the mortgage company would communicate with her and in obtaining a loan modification so she can stay in her home. It is critical that the state of Maryland provides support to legal services organizations and housing counseling organizations who can help families through what is often their darkest hour. Without an attorney, my client would likely not have been able to keep her home.

Maryland continues to rate among the highest in the nation for properties going into foreclosure, with 1 in every 3,253 properties in foreclosure in December of 2024. Governor Moore named "making the State of Maryland a

desirable and affordable home for all residents” as one of his administration’s top 10 priorities. SB566 increases the filing fee for residential foreclosures, which would directly fund the Maryland Housing Counseling Fund, which supports the work of housing counselors and legal services organizations. Without the critical services of housing counselors and legal services for homeowners, this goal will not be possible. The passage of SB566 will provide vital services for Marylanders who are facing foreclosure, and I strongly support its passage.

SB566.Testimony.2.6.25.pdf

Uploaded by: Mary Hunter

Position: FAV



Housing Initiative Partnership, Inc.

35 YEARS of Housing Security | Financial Stability | Community Success

Testimony to the Senate Judicial Proceedings Committee
SB566 Real Property - Filing Fee for Residential Mortgage Foreclosure - Increase
Position: Favorable

February 4, 2025

The Honorable Senator William Smith, Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Judicial Proceedings Committee:

Housing Initiative Partnership, Inc. (HIP) is a 35-year-old nonprofit developer and HUD-approved housing counseling agency. HIP develops innovative affordable housing, revitalizes neighborhoods, and equips people to achieve their housing and financial goals. The organization's vision is that every person lives in high-quality affordable housing in a thriving community.

Since becoming a **HUD-approved Housing Counseling Agency** in 2003, HIP's multilingual Certified Housing Counselors have counseled and educated over 40,000 Montgomery and Prince George's County renters, homebuyers and homeowners, helping to resolve their housing challenges and achieve their housing goals. HIP has specifically provided counseling and advocacy to approximately 12,000 homeowners struggling with mortgage default, helping them access resources to preserve their home from foreclosure. Our communities have come to rely on our housing counseling services – which have been critical to help vulnerable residents mitigate the worst harm during the Great Recession, the Pandemic and the current housing crisis caused by inflation and short supply.

SB 566 would increase the filing fee for residential foreclosures. The fees fund the Maryland Housing Counseling Fund. The fund pays for housing counseling, legal services as well as foreclosure mediation. This fee has not been changed since 2010. According to recent analysis by ATTOM, Maryland was among the states with the highest foreclosure rates in December 2024.

Maryland Housing Counseling Fund has been a cornerstone of our counseling funding over the past two decades, helping us to serve between 1,000-1,500 households each year to navigate their rental, pre-purchase, foreclosure or post-purchase issues. With federal sources like HSCP and HAF ending, we are now operating at a deficit. We urge the state to increase funds available to the MHCF to support the critical services housing counselors provide to Marylanders.





Housing Initiative Partnership, Inc.

35 YEARS of Housing Security | Financial Stability | Community Success

We support SB566 and urge a favorable report.

Sincerely,

A handwritten signature in blue ink that reads "Mary Hunter". The signature is fluid and cursive.

Mary Hunter
Director, Housing Counseling & Services
Housing Initiative Partnership, Inc. (HIP)

SB0566_FAV_Enterprise_Bondi_Feb2025.pdf

Uploaded by: Melissa Bondi

Position: FAV



SB 0566

Real Property - Filing Fee for Residential Mortgage Foreclosure - Increase

Hearing before the Senate Judicial Proceedings Committee
February 6, 2025

Position: Favorable

submitted via electronic testimony

Chair Smith and Members of the Committee:

Thank you for the opportunity to speak. I am here on behalf of Enterprise Community Partners (Enterprise) **to urge you to move favorable on SB 0566**. This legislation would increase the filing fee required to pursue a foreclosure action on residential properties in Maryland.

We especially thank Senator Sydnor for his leadership in supporting this legislation.

About Enterprise:

Founded 40 years ago here in Maryland, Enterprise is committed to make home and community places of pride, power and belonging, and platforms for resilience and upward mobility for all.

Our impact and investment in Maryland housing and affordability is one measure of our commitment to the state and its residents. Enterprise's affordable housing production, preservation, and rehabilitation efforts total more than \$1 billion in total portfolio value, including 76 apartment communities and more than 7,500 homes in Maryland. Our work is centered on holistic resident services and environmentally sustainable design, construction and operations.

In addition, we provide millions of dollars each year in loan financing, equity investments and grants to nonprofit and mission-minded community organizations, as well as technical assistance, partnerships, and a variety of federal, state, and local policy analysis.

Enterprise brings substantial first-hand experience of the vital role the state's housing and community development programs play in meeting community needs.

ENTERPRISE COMMUNITY PARTNERS, INC.

Washington, DC Office: 10 G Street NE ■ Suite 580 ■ Washington, DC 20002 ■ 202.842.9190 ■

www.EnterpriseCommunity.org

About the Bill:

According to [Bluehub Capital](#), a mission-driven, nonprofit community development financing organization, in 2024 Maryland saw foreclosure filings for 4,762 properties (0.19% of housing units), ranking sixth nationally. Lack of housing affordability and cost of living relative to incomes, as well as pressures from interest rates and other economic factors all contribute to why a foreclosure may occur.

Few actions are more impactful and disruptive to an individual or family's life than losing their home, for any reason. The negative impacts on people who face foreclosure are extremely high, both financially and in terms of their overall health and stability. The cost to communities is also high as foreclosed properties can also have a negative impact on adjacent property values. Maintenance of the property following a foreclosure action can also suffer. Local governments very often do not have the additional resources to enforce and maintain foreclosed property security and conditions. For these and many other reasons, to the maximum extent possible residents and their mortgage holders should work together to avoid the loss of a home.

One benefit of raising the filing fee for foreclosures is to better ensure that all other potential remedies have been explored before this most drastic action is taken. It also ensures the state is compensated more reasonably for the additional costs it incurs to process the action, and its consequences to communities. The impact of a foreclosure is far greater than the fee itself; but this legislation will better reflect the actual costs and serve as an incentive to find alternatives without residents losing access to what is often their most valuable asset, and primary source of wealth generation and transfer to beneficiaries.

Our team would be happy to answer any questions you may have about our work in Maryland, and we appreciate your consideration of these views. I may be reached at MBondi@EnterpriseCommunity.org or 202-407-8719. On behalf of Enterprise Community Partners, we urge you to move favorable on this PILOT legislation as described.

Respectfully submitted:

Melissa Bondi
Senior Director, Enterprise Mid-Atlantic

Cc: Rev. David C. Bowers, Vice President and Mid-Atlantic Market Leader

SB566_ShoreLegalAccess_FAVORABLE.pdf

Uploaded by: Meredith Girard

Position: FAV

**SB566: Real Property – Filing Fee for Residential Mortgage Foreclosure
Hearing before
Judicial Proceedings Committee
Position: FAVORABLE**



Shore Legal Access (formerly Mid-Shore Pro Bono) supports SB566. The bill would increase the filing fee for mortgage foreclosures from \$300 to \$600. This is the first time the filing fee has been increased in ten years and funds would support the Maryland Housing Counseling Fund that provides funding to nonprofits and governments providing housing counseling and legal representation for homeowners and renters.

Shore Legal Access (SLA) connects people on the Eastern Shore with limited financial means to legal representation and essential community resources. Each year, SLA helps nearly 4,000 people in our community access the legal system when they would otherwise be shut out. Our small legal team and network of volunteer lawyers provide free legal services for criminal record expungement, life planning, family law, landlord/tenant, foreclosure, and consumer debt. These services help families gain financial and housing stability and create safe, secure homes for children.

Shore Legal Access provides legal representation for people with limited financial means facing foreclosure through our network of volunteer attorneys. SB566 would raise the filing fee, thereby increasing funds available to provide homeowners and tenants resources needed to prevent foreclosure. Shore Legal Access urges the Committee's SUPPORT for this bill. Please don't hesitate to contact Meredith Girard (mgirard@shorelegal.org) with any questions or additional information about this important issue.

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shorelegal.org

Letter for Housing Counseling Fund Support.pdf

Uploaded by: Ms. JohnDre Jennings

Position: FAV



Druid Heights Community Development Corporation

DRUID HEIGHTS
Community Development Corporation

2140 McCulloh Street Baltimore, Maryland 21217

Testimony to the Senate Judicial Proceedings Committee

SB566 Real Property - Filing Fee for Residential Mortgage Foreclosure - Increase

Position: Favorable

February 6, 2025

The Honorable Senator William Smith, Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401

cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Judicial Proceedings Committee:

SB 566 would increase the filing fee for residential foreclosures. The fees fund the Maryland Housing Counseling Fund. The fund pays for housing counseling, legal services as well as foreclosure mediation. This fee has not been changed since 2010. Our organization has received funds for our work and served hundreds of clients. According to recent analysis by ATTOM, Maryland was among the states with the highest foreclosure rates in December 2024.

The Maryland Housing Counseling Fund has helped Druid Heights CDC to serve over 350 clients a year and it has been a key source of funds for foreclosure prevention and first time home buyer assistance. It has been my honor to meet with and assist hundreds of clients over the past nineteen years to navigate through this process. I have given guidance, support, attended Mediations with them and many of those clients have been able to bring their mortgage current and stay in their home. There are however, some circumstances that make staying impossible, but even with the ones that are forced to leave their home, I have been able to give them guidance and help make the transition for the families as less traumatic as possible. All of that takes funding. I believe that there is a desperate need for additional funding to support this essential and very beneficial work for the residents of Maryland. Many Maryland homeowners are facing difficult times and need this assistance, and I believe that the need is only going to increase in the coming years.

We support SB 566 and urge a favorable report.

Sincerely,

Chloe Williams

Director of Housing Counseling and Homeownership Opportunities

CDN Testimony SB566.pdf

Uploaded by: Ruth Griffin

Position: FAV



Testimony to the Senate Judicial Proceedings Committee
SB566 Real Property - Filing Fee for Residential Mortgage Foreclosure - Increase
Position: Favorable

February 6, 2025

The Honorable Senator William Smith, Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Judicial Proceedings Committee:

The Community Development Network of Maryland (CDN) is a statewide network of over 180 member organizations. CDN's mission is to promote, strengthen, and advocate for the community development sector throughout Maryland's urban, suburban, and rural communities.

CDN has a strong interest in housing and a long history of partnering with the state of Maryland, banking industry supporters, and philanthropic donors to deliver training and provide professional development for HUD certified housing counselors who serve homebuyers, homeowners and renters as they work to achieve their housing goal or meet their housing needs. Housing counselors professionals have passed a strenuous exam and are affiliated with US Department of HUD approved not-for-profit organizations. [Studies](#) show the effectiveness of housing counseling, including foreclosure prevention housing counseling which benefits the lender, as well as, the homeowner, and our community.

SB 566 would increase the filing fee for mortgage services pursuing residential foreclosures. The fees fund the Maryland Housing Counseling Fund. The fund pays for housing counseling, legal services as well as foreclosure mediation, which all work to prevent avoidable foreclosures. The fee was established in 2010 and has not been changed since. Costs of service provision have escalated and federal crisis response funding is exhausted.

Maryland is at a critical juncture. While our state has one of the highest rates of foreclosure nationwide, we risk losing jobs for highly trained, dedicated professionals who regularly serve 10s of thousands of Marylanders' housing needs each year. This legislation would help stabilize housing counseling service provision, and, as a result, stabilize households and communities from the devastating impact of foreclosures.

Housing Counseling Testimony_2.6.2025.pdf

Uploaded by: Steven Rose

Position: FAV



FREDERICK

HOUSING & HUMAN SERVICES

Testimony to the Senate Judicial Proceedings Committee
SB566 Real Property - Filing Fee for Residential Mortgage Foreclosure - Increase
Position: Favorable

February 6, 2025

The Honorable Senator William Smith, Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Judicial Proceedings Committee:

The City of Frederick
100 S. Market Street
Frederick, MD 21701

SB 566 would increase the filing fee for residential foreclosures. The fees fund the Maryland Housing Counseling Fund. The fund pays for housing counseling, legal services as well as foreclosure mediation. This fee has not been changed since 2010. Our organization has received funds for our work and served hundreds of clients. According to recent analysis by ATTOM, Maryland was among the states with the highest foreclosure rates in December 2024.

Why Your Organization Cares About This

The Maryland Housing Counseling Fund has helped us to serve over 200 clients a year and it has been a key source of funds for foreclosure prevention and first-time home buyer assistance. It has been my honor to meet with and assist hundreds of clients over the past thirteen years to navigate through this process. I have given guidance, support, attended Mediations with them and many of those clients have been able to get current and stay in their home. However, some circumstances make that impossible but even with the ones that are forced to leave their home I have still been able to give them guidance and help make that transition for them as less traumatic as possible.

Ramenta Cottrell
Director

Michael C. O'Connor
Mayor



FREDERICK

HOUSING & HUMAN SERVICES

All of that takes funding. I believe that there is a desperate need for additional funding to support this essential and very beneficial work for the residents of Maryland.

We support SB 566 and urge a favorable report.

Respectfully,

A handwritten signature in black ink that reads "Steven Rose". The signature is written in a cursive style.

Steven Rose
HUD Certified Housing Counselor
The City of Frederick
Frederick, MD 21701

SB566 HRDC

Uploaded by: Susan Malone

Position: FAV



ALLEGANY COUNTY HUMAN RESOURCES DEVELOPMENT COMMISSION, INC.

125 Virginia Avenue
Cumberland, Maryland 21502
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EXECUTIVE DIRECTOR
Wendolyn Mckenzie

Testimony to the Senate Judicial Proceedings Committee
SB599 Real Property - Filing Fee for Residential Mortgage Foreclosure - Increase
Position: Favorable

February 4, 2025

The Honorable Senator William Smith, Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Judicial Proceedings Committee:

The Allegany County Human Resources Development Commission, Inc. (HRDC) is a private non-profit Community Action Agency. The purpose of HRDC, which was originally mandated by the Allegany County Commissioners, is to combat poverty and the problems of the disadvantaged in Allegany County. HRDC's goals are centered on the development of a wide variety of programs and activities designed to alleviate those problems and relies on Federal, State and local grants to administer it's over 30 programs.

SB 566 would increase the filing fee for residential foreclosures. The fees fund the Maryland Housing Counseling Fund. The fund pays for housing counseling, legal services, as well as, foreclosure mediation. This fee has not been changed since 2010. Our organization has received funds for our work and served hundreds of clients. According to recent analysis by ATTOM, Maryland was among the states with the highest foreclosure rates in December 2024.

Why Your Organization Cares About This

HRDC is a HUD-certified housing counseling agency and has been providing housing counseling services since 2010 and homebuyer education since 2016. The Maryland Housing Counseling Fund has been a key source of funds for HRDC allowing us to provide foreclosure prevention and first-time homebuyer education. MHCF has assisted HRDC to serve 362 households / 434 individuals.

We support SB 566 and urge a favorable report.

Sincerely,

Susan Malone
Director, HRDC Department of Housing and Community Services



SB0566 - UNF - MMBBA - Framarini.pdf

Uploaded by: DENNIS RASMUSSEN

Position: UNF

02/04/2025

SB0566



Testimony offered on behalf of:
MARYLAND MORTGAGE BANKERS & BROKERS ASSOCIATION, INC.

IN OPPOSITION TO:
**SB0566 – Real Property – Filing Fee for Residential Mortgage
Foreclosure – Increase**

Judicial Proceedings Committee
Hearing – 02/06 at 1:00 PM

**The Maryland Mortgage Bankers and Brokers Association, Inc. (“MMBBA”)
OPPOSES SENATE BILL 0566.**

The proposed doubling of foreclosure filing fees from \$300 to \$600 will not be absorbed by lenders or servicers — it will be passed on to consumers as a closing cost when the property is sold post-foreclosure. The equity that should rightfully go back to the homeowner after a foreclosure sale will be further reduced by these additional fees.

While MMBBA understands the State’s need for funding and regulatory oversight, doubling the foreclosure filing fee is the wrong approach. It penalizes struggling homeowners and adds to consumer costs.

The MMBBA urges an UNFAVORABLE REPORT on SENATE BILL 0566.

Respectfully submitted,

Nicholas Framarini

**Co-Chair, MMBBA Legislative Committee
nframarini@mortgagestar.com – (410)-790-3391**

SB0566 - UNF - MBA - GR25.pdf

Uploaded by: Evan Richards

Position: UNF



SB 566 – Real Property – Filing Fee for Residential Mortgage Foreclosure - Increase

Committee: Senate Judicial Proceedings Committee

Date: February 6, 2025

Position: Unfavorable

The Maryland Bankers Association (MBA) **OPPOSES** SB 566, which doubles the foreclosure filing fee in Maryland to \$600 per filing. This legislation does not help Marylanders who are struggling to make their monthly mortgage payments and instead increases the costs of mortgage servicing in Maryland.

Under current Maryland law, in addition to other required filing fees, a filing for a foreclosure on residential property must be accompanied by a \$300 fee. This fee, according to the [Summary of Charges, Costs, and Fees of the Clerks of the Circuit Court](#), is almost double any other fee filed in Maryland's judicial system.

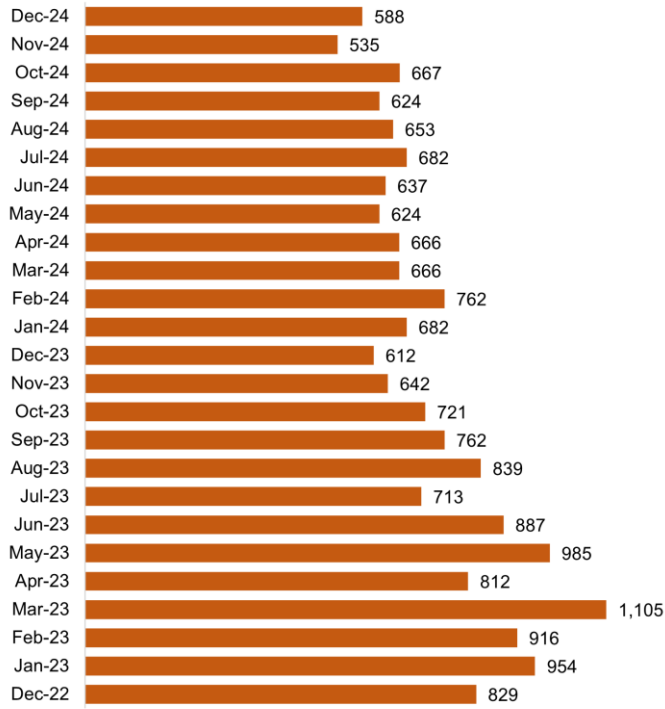
Maryland's Office of Financial Regulation (OFR) offers resources for Marylanders who have fallen behind on their mortgage, including a link to [Foreclosure Help for Homeowners](#) and a [Mortgage Late? Don't Wait!](#) factsheet. Both documents discuss the rights that Marylanders have when trying to avoid foreclosure. Marylanders are strongly encouraged to contact their mortgage servicer in both documents, as these servicers are well-equipped to help Marylanders stay in their homes.

In addition, OFR continues to see a decrease in the number of Notices of Foreclosure and Foreclosed Property Registries. Charts showing a decrease over the past two years, while publicly available on OFR's website, are attached to this testimony.

Given that there are numerous resources available to Marylanders who are facing foreclosure, and that there is not a substantial increase in the number of Marylanders facing foreclosure, MBA finds this fee increase to be unnecessary. Accordingly, MBA urges the issuance of a **UNFAVORABLE** report on SB 566.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding more than \$194 billion in deposits in almost 1,200 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.

Notices of Foreclosure Submitted to OFR December 2022 - December 2024



Foreclosed Property Registries Submitted to OFR December 2022 - December 2024

