



Testimony to the House Judiciary Committee
HB769 Real Property – Residential Foreclosures – Materially Delinquent Mortgages
Position: Favorable

February 14, 2025

The Honorable Delegate Luke Clippinger
100 Taylor House Office Building
Annapolis, Maryland 21401
cc: Members, Judiciary Committee

Honorable Chair Clippinger and Members of the Judiciary Committee:

The Community Development Network of Maryland (CDN) is a statewide network of over 180 member organizations. Our mission is to promote, strengthen, and advocate for the community development sector throughout Maryland's urban, suburban, and rural communities. CDN's member organizations work to improve the quality of life for hardworking Marylanders by providing affordable housing, neighborhood revitalization, family stability and wealth building opportunities, small business development, and housing counseling.

HB 796 would increase the filing fee for mortgage servicers pursuing residential foreclosures. The fees fund the Maryland Housing Counseling Fund. The fund pays for housing counseling and legal services which 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.

Housing Counselors serve homebuyers, homeowners and renters as they work to achieve their housing goal or meet their housing needs. CDN has a long history of partnering with the state of Maryland, the banking and mortgage industry, and philanthropic donors to deliver training and provide professional development for US Department of Housing and Urban Development (HUD) certified housing counselors. Housing counseling professionals pass a strenuous exam and are affiliated with HUD approved not-for-profit organizations.

[Studies](#) show the effectiveness of housing counseling. For instance, “a nationwide Urban Institute [study](#) by Mayer, et al., (2010) of the foreclosure mitigation counseling program found that borrowers in foreclosure were 70 percent more likely to get up-to-date on payments if they received...counseling. The same study showed that homeowners who received a mortgage modification to resolve a serious delinquency were 45 percent more likely to sustain that modification if it was obtained with the help of counseling.” Another

study showed that “Most study participants had tried to contact their servicer when they first fell behind but had not been successful in negotiating with their lenders.” Foreclosure prevention housing counseling benefits the lender, as well as, the homeowner.

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 and our state’s economy from the devastating impact of foreclosures.

We support HB796 and urge the committee to return a favorable report.

Sincerely,

Ruth L. Griffin, Housing Counseling Coordinator
CDN of Maryland