



**Testimony HOUSE BILL 796  
JUDICIARY COMMITTEE  
February 19, 2025  
Position: FAVORABLE**

Honorable Chair Clippinger and Members of the Judiciary Committee:

The mission of the Community Development Network (CDN) of Maryland is to promote, strengthen, and advocate for the community development sector throughout Maryland's urban, suburban, and rural communities. CDN envisions thriving Maryland neighborhoods and communities, where people of all incomes have opportunities for themselves and their families.

CDN was founded in 2006 as The Asset Building and Community Development Network. In 2013, the ABCD Network chose to change its name to CDN and increase its focus on state and local advocacy. In 2015, the Maryland Housing Counselors Network, made up of organizations providing housing counseling and foreclosure intervention services, merged with CDN. During the 2008 foreclosure crisis, the Maryland Housing Counselors Network was a lead partner with the State of Maryland to establish the foreclosure mediation program and Maryland Housing Counselors Fund.

HB 796 would increase the filing fee for residential foreclosures. The fees fund the Maryland Housing Counseling Fund. The fund pays for housing counseling services, 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.

Housing counseling can be an effective intervention in helping distressed homeowners avoid foreclosure. A report by Temkin et al. (2014) sponsored by the Urban Institute reviewed outcomes associated with 240,000 loans, one-half of which received counseling under NeighborWorks® America's National Foreclosure Mitigation Counseling (NFMC) program. Counseled clients were 2.83 times more likely to receive a loan modification and were 70 percent less likely to redefault on a modified loan. Counseled clients were given modifications that saved them \$732 per year compared with non-counseled borrowers. From [Housing Counseling Works, Marina L. Myhre, Ph.D. Nicole Elsasser Watson Social Science Analysts U.S. Department of Housing and Urban Development 2017](#)

I estimate that the community based nonprofit organizations in our network has served more than 5000 default clients per year for the past 14 years. The cost of labor, insurance and technology has increased substantially in the last ten years. These organizations need to be available to serve the increasing number of people facing housing instability in Maryland.

We are particularly concerned about the number of older people losing their homes to foreclosure in Maryland. From 2018 to 2024, there was a 77% increase in adults aged 65 and older facing homelessness, according to data reported by the Maryland Department of Housing and Community Development in November.

Once homeowners lose their home to foreclosure in the current market, there simply is not any place for them to go given the severe shortage of housing in Maryland.

We urge a favorable report for HB 796.

**Claudia Wilson Randall**  
**Executive Director, Community Development Network of Maryland**