



WALKIRIA POOL,
PRESIDENT

HB 796 SUPPORT LETTER

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:

Centro de Apoyo Familiar, CAF has a mission to transform communities through economic, social, and educational empowerment in collaboration with community and faith-based organizations. CAF serves more than 3,500 families through its Asset Building Programs yearly, the Foreclosure Prevention Counseling Program is getting increased demand and benefits many families by providing them with much needed guidance and ways to keep their homes and maintain economic stability. This program with increasing demand is facing funding challenges.

CAF provided foreclosure prevention services to an increased number of families in years 2023 and 2024 due to the various financial hardships being faced by families including the lingering COVID 19 Pandemic effects on job shortages, increased property taxes, increase cost of living, and high inflation among other factors that specially impact our communities in PG County. CAF was successful in achieving program success with help from with help from The Maryland Housing Counseling Fund and by continuing to utilize our partner model with nonprofit faith-based leaders, the Connectors Network. Community leaders in our Connectors Network help us host outreach events to bring awareness of the resources and services offered by CAF and allowing us to reach more clients through trusted sources.

All these efforts take time and human resources, so when funding sources are not available to us, these highly needed services are deeply challenged. SB 566 would increase the filing fee for residential foreclosures. The fees fund the Maryland Housing Counseling Fund. We know there is an increasing demand out there for foreclosure prevention outreach and one on one counseling. We have continually made our services available to all in need and see the impact it makes in clients' lives. We help them avoid the loss of their home, which

many times is their family's single and most valuable asset. Here is one of our many client success stories;

Mr. Davis, a client from PG County, had inherited his mother's house and he came to us when he was about to lose it to foreclosure. Mr. Davis had taken out a mortgage loan to do major necessary system and safety repairs to that home, but due to his lack of adequate income and increasing debt, he was in risk of losing his only asset left to him by his mother. He had worked so hard to maintain and keep this home and came to us for help.

CAF initiated communication with his mortgage servicer and requested mortgage assistance through the loss mitigation application process. During this process we also provided guidance, follow-up and information to other needed resources. The client was able to obtain a job and therefore improve his income situation and was able to qualify for a modification on his loan and retain his home. Then later on after the loan modification, he suffered an accident and became delinquent on his mortgage once more. We were able to assist him again with loss mitigation and helped him apply for the Homeowners Assistance Fund (HAF), which he was successful in obtaining the help he needed to keep his home. The client has recommended others facing similar situations.

The combined effort of housing counseling services, funding sources such as MHCF, and the availability of mortgage assistance programs make for tremendous success stories, such as this one. We want to continue helping create success stories but with dwindling funds for foreclosure prevention and other needed housing counseling services, we are left with challenges to the sustainability of the program, and we may not be able to meet client demand.

Foreclosures impact families' sense of stability and well-being, home values, community morale, and neighborhood safety among many other social and economic impacts. It is beneficial to keep enough funding available for foreclosure prevention for our communities to thrive and have healthy neighborhoods.

We support HB 796 and urge a favorable report.

Sincerely,

Walkiria Pool
President of Centro de Apoyo Familiar