



Testimony to the House Economic Matters Committee
HB1098 Bankruptcy Proceedings - Exemptions From Execution - Residential Real Property
Position: Favorable

March 5, 2026

The Honorable Kris Valderrama, Chair
Economic Matters Committee
Room 230, House Office Building
Annapolis, Maryland 21401
cc: Members, House Economic Matters

Chair Valderrama and members of the committee:

Economic Action writes in strong support of HB1098 which increases the exemptions from execution for homes in bankruptcy proceedings. Under HB1098, if a homeowner is at least 60 years old and either has a disability or is a veteran, the homeowner will be able to protect \$300,000 of their equity. For anyone else, \$150,000 in home equity will be protected.

The current homestead exemption protects \$31,575 in a person's home but hasn't been updated for years. As home values rise, it is critical to update exemptions to keep pace with fair market value of homes. HB1098 ties future increases to the Consumer Price Index so that protections remain aligned with price changes.

In Maryland, there were 11,108 bankruptcies in 2024, with 62% of bankruptcies filed under Chapter 7.

Expanding protections, particularly in light of the current affordability crisis, is critical. HB1098 increases homeowner's exemptions in bankruptcy. This will increase homeowners' economic security during the critical time a household is facing bankruptcy.

For all these reasons, we support HB1098 and urge a favorable report.

Best,

Marceline White
Executive Director

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