



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

**IN OPPOSITION OF:**  
**HB1098**

**Bankruptcy Proceedings – Exemptions From Execution –  
Residential Real Property**

**House Economic Matters Committee**  
**Hearing – 3/5/2026 at 1:00 PM**

**The MMBBA represents lenders, servicers, and housing-finance professionals responsible for providing access to responsible mortgage credit across the State. We respectfully OPPOSE House Bill 1098.**

**While we appreciate the goal of modernizing statutory treatment of residential property held in trusts, the bill, as drafted, would substantially expand homestead exemption protections without sufficient safeguards for secured creditors. Mortgage lending is fundamentally based on the enforceability and predictability of collateral rights. When exemption statutes significantly increase the amount of home equity shielded from creditors, the practical effect is to reduce recoverable value in default or bankruptcy scenarios. That reduction in recoverable collateral does not remain isolated within the legal system—it directly influences underwriting standards, loan pricing, and credit availability. Lenders must price risk based on expected loss severity. If statutory changes materially limit recovery rights, lenders may respond by tightening credit overlays, increasing interest rates or fees, reducing loan approvals for marginal borrowers, or limiting certain loan products in Maryland.**

**These impacts fall most heavily on first-time buyers, moderate-income households, and borrowers with limited equity. Maryland’s housing market depends on stable legal frameworks that balance consumer protection with credit accessibility. HB1098, as currently written, shifts that balance too far and introduces uncertainty into secured lending risk models.**

**For these reasons, the Maryland Mortgage Bankers and Brokers Association, Inc. OPPOSES this bill and urges an UNFAVORABLE REPORT on HOUSE Bill 1098.**

*Timothy J Gough*

MMBBA Legislative Committee  
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