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**HB 1098 – Bankruptcy Proceedings – Exemptions From Execution –
Residential Real Property
House Economic Matters Committee
March 5, 2026
FAVORABLE**

Good afternoon, Chair Valderrama, Vice Chair Charkoudian, and Members of the House Economic Matters Committee. I am Stuart Cohen, an advocacy volunteer with AARP Maryland and former Senior Vice President of Legal Advocacy for AARP Foundation and former Director of Litigation at the Legal Aid Bureau (now Maryland Legal Aid). We thank Delegate Stewart for sponsoring this legislation.

AARP is a nonpartisan, nonprofit, nationwide organization, representing approximately 850,000 members in Maryland. We help people turn their goals and dreams into real possibilities, strengthen communities, and fight for the issues that matter most to families, such as health care, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

HB 1098 is sorely needed because our state has outdated and insufficient homeowner protections, despite having among the highest median home values. Current law provides that, outside of bankruptcy, homeowners rely on only a \$6,000 general exemption, which offers no real protection. And in bankruptcy, homeowners are limited to the federal homestead exemption, currently around \$31,575, an amount that has not kept pace with modern housing values.

HB 1098 creates a true homestead exemption in the state that protects owner-occupied primary residences, whether or not the homeowner files for bankruptcy, giving families meaningful tools in moments of temporary financial crisis.

The bill also modernizes the definition of “homestead,” acknowledging the many ways residents own their homes, including condominiums, cooperative housing units, and homes held in revocable living trusts. This change closes technical loopholes and ensures families are not punished for standard estate planning practices.

Perhaps most importantly, the bill offers exemptions that reflect today’s housing values with \$150,000 in protected equity per homeowner and \$300,000 total per residence. Enhanced protection, up to \$300,000 per eligible owner, is provided for homeowners aged 60 or older, individuals with qualifying disabilities, and veterans. This is critical for older adults and people with disabilities, for whom losing a home often leads to severe financial and health consequences.

Conclusion

HB 1098 is an urgently needed modernization of Maryland's homestead protections. It will help protect primary residences; support seniors, veterans, and people with disabilities; preserve legitimate creditor rights; and prevent unnecessary displacement.

For these reasons, AARP respectfully urges the Committee to issue a **favorable** report.

If you have any questions, please contact Sara Westrick at swestrick@aar.org or by calling 410-310-0374.