



JUSTICE FOR ALL

HOUSE ECONOMIC MATTERS COMMITTEE
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE
IN SUPPORT OF HOUSE BILL 0523: REAL PROPERTY -
RESIDENTIAL FORECLOSURES - COMMENCEMENT RESTRICTIONS
THURSDAY, FEBRUARY 19, 2026

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Chair Valderrama, and distinguished members of the Committee, thank you for the opportunity to testify in support of House Bill 523.

My name is Courtland Merkel, and I am a Consumer and Housing Staff Attorney at Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS' founding in 1981, our statewide panel of over 700 volunteers has provided free legal services to over 115,000 Marylanders in a wide range of civil legal matters. For the reasons explained below, we respectfully request a favorable report in support of House Bill 523.

At MVLS, we work closely to prevent foreclosures, so we recognize trends that threaten homeownership in Maryland. We are seeing one such trend now. Debt buyers are moving to foreclose on Marylander's second mortgage loans that were written off by the original lenders long ago and later sold for pennies on the dollar. These debt buyers wait until a home has built up enough equity to make foreclosure highly profitable. As a result, our clients, along with other Marylanders across the state, are facing an unexpected homeownership crisis just as their homes have finally become worth more than their mortgages.

As drafted, House Bill 523 proposes a concise and sensible change of requiring that foreclosure would have to commence within 10 years of the claimed date of mortgage default. This bill will also remove Maryland from the list of only three states in the country that do not have a statute of limitations for foreclosure.

Mr. H., a client of MVLS, like many Marylanders, faced unexpected foreclosure proceedings when a second mortgage he believed had been discharged in a 2012 bankruptcy suddenly resurfaced to threaten his home. Mr. H. was caught completely off guard, as there had been no attempt to collect on the mortgage for many years. Thankfully, Mr. H. had the support of his family, which helped him keep his home

House Bill 523 would directly assist Marylanders like Mr. H. by protecting vulnerable homeowners who are under economic strain and who deserve



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basic fairness in foreclosure proceedings, helping them avoid unnecessary home loss and displacement.

MVLS has been fighting to level the playing field for low-income Marylanders for decades, and we know that low-income homeowners are the most vulnerable to predatory mortgage lending practices, like the ones outlined above. For these reasons, MVLS supports House Bill 523 and urges a **FAVORABLE** report. We respectfully urge the Committee to pass this simple, commonsense change, which would cost the State of Maryland nothing and bring Maryland in line with the rest of the nation by requiring that mortgage foreclosure actions be commenced within 10 years of the claimed date of default.

Chair and members of the Committee, thank you again for the opportunity to testify.