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**SB 232/HB 478**  
**CIVIL CASES - SURCHARGES**  
**HEARING BEFORE THE JUDICIARY COMMITTEE**  
**FEBRUARY 17, 2021**  
**POSITION: SUPPORT**

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide clearinghouse for volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar. **PBRC urges support of HB 478 because it will create essential revenue for the Maryland Legal Services Corporation (“MLSC”) to provide critical civil legal services, including those provided by PBRC, to some of the most vulnerable residents of our state.**

MLSC funding comprised 34% of PBRC’s budget in fiscal year 2020. Our projects include home preservation (covering tax sale and foreclosure prevention), consumer protection, family reunification, senior stability, eviction prevention and tenant advocacy. These projects incorporate extensive volunteer service components through community and courthouse clinics—and now remote clinics. We offer vital legal help to thousands of clients in need. We also recruit, train, and engage hundreds of volunteer lawyers in the myriad of civil legal areas that impact low-income individuals and refer them to other legal services providers so they can offer high quality legal services to their client populations.

**In fiscal year 2020, PBRC volunteers and staff closed 2,351 cases through its projects.** In most cases, clients represented by PBRC volunteers and staff prevailed or received positive outcomes: we prevented unlawful evictions, significantly reduced consumer debt collections, saved homes from tax sale, preserved intergenerational wealth by drafting life-planning documents to pass properties to family members, resolved utility bill disputes, and facilitated legal education and outreach. Success rates for our clients ranged from 99% in consumer protection cases, to almost 78% for our tax sale prevention clinics, and 76% of clients either avoided an eviction entirely or were granted a postponement delaying the eviction through our Tenant Volunteer Lawyer of the Day Program.

**Our clients are predominately low-income and from communities of color. Grant funding from MLSC helps make these outcomes possible.** The COVID crisis has not only exacerbated problems for these clients but has specifically created a devastating impact on MLSC whose revenue has dropped precipitously. It is imperative to now increase the surcharges on court filing fees to bolster MLSC and its grantees.

**MLSC funding helps PBRC resolve cases that alleviate court backlog and save costs for the state.** Each year, tens of thousands of Marylanders are sued under affidavit for outstanding debts. This expedited procedure is often used to collect on auto loans, medical debt, and consumer debt and most consumers arrive without representation. The clients who come through the Consumer Protection Project (CPP) are from all walks of life and are often overwhelmed by challenging personal circumstances. A substantial number of individuals have been victims of fraud, identity theft or improper collection practices. During the pandemic, many have lost a second job or contract work or suffered a medical setback. At this critical moment before the court proceeding, a volunteer lawyer counsels the client and often can negotiate with the creditor to resolve or

reduce the debt collection action. The savings for the clients is substantial; sometimes preventing wage garnishments or tough choices between paying for medications or debt. The savings for the state is also substantial, as it is estimated that for every \$1 spent on civil legal aid, \$6 is returned to the state in savings.

**A integrated approach to clients helps prevent future problems—it's more than a bandaid.** PBRC recently assisted an 83-year-old woman with congestive heart failure who had been sued by a credit card company for over \$6000. Her only income was Social Security, and she couldn't afford to pay the debt. In the confusion of COVID-related court closings, a judgement was entered against her. Through her son, she approached PBRC for free representation. After assisting the son with a Power of Attorney, PBRC successfully moved to vacate the judgment. PBRC then sought to resolve the matter while the courts were closed by negotiating directly with the creditor. The PBRC attorney negotiated a dismissal which reduced the debt by 50% in exchange for the client making monthly payments. This not only resolved the matter for both the client and creditor, but also avoided a judgment which could have resulted in a lien on the client's home.

In addition, after discovering that the client's home was listed on the city's tax foreclosure list, PBRC's Home Preservation Project staff provided counseling and advice on preventing a foreclosure.

**PBRC's client avoided both a costly judgement and a home foreclosure. Without the help of PBRC attorneys, none of this would have been possible.**

PBRC supports HB 478, which would help secure critical funding for the Maryland Legal Services Corporation and its grantees. Without these funds for representation, thousands of Marylanders will likely encounter homelessness, unemployment, family instability and entrenched poverty. I urge you to make a favorable report on HB 478.

Thank you for the opportunity to testify.

For the above reasons,

**PBRC urges a FAVORABLE report on SB 232/HB 478.**

Please contact Allison Harris, Director of PBRC's Home Preservation Project, with any questions.

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