



Neighborhood Housing Services of Baltimore, Inc.

Corporate Office
(410) 327-1200

25 E 20th Street
(410) 675-1855 (fax)

Baltimore, Maryland 21218
www.nhsbaltimore.com

February 12, 2021

Delegate Anne R. Kaiser
Chair, Ways and Means Committee
Room 131, House Office Building
Annapolis, Maryland 21401

RE: House Bill 852

Position: SUPPORT

Dear Chairperson Kaiser and Members of the Committee:

I am Dan Ellis, Executive Director of Neighborhood Housing Services of Baltimore. NHS, a non-profit working in Baltimore City, believes all residents deserve the opportunity for decent housing and financial opportunities for their families. We accomplish this by offering housing counseling, financial coaching, affordable loans to low and moderate income customers, conducting acquisition and renovation on vacant properties, community engagement, and helping money flow into historically disinvested communities. Last year we helped over 450 families purchase homes, invested in the preservation of over 100 homes to help seniors age in place and invested and leveraged over \$25 million in West Baltimore. I have had the privilege of working with legislators and advocates from around the state over the past 9 years to identify equitable solutions for tax sale

NHS of Baltimore **Strongly Supports** HB852. The bill is designed to protect the most vulnerable residents of Maryland at risk of losing their homes to tax sale. NHS has worked with many customers at risk of losing their homes to tax sale. Many of these customers faced bills of less than \$2,000 but with very limited income were confronted with the possibility of losing their homes. Resources available to help these homeowners are currently very limited. Payment plans are not typically available and in many cases partial payment are not accepted. This leaves homeowners living on very limited income the challenge of coming up with a large lump sum payment or face the risk of losing their homes. For many of these homeowners, their homes have been in their families for many years and are fully paid off. The loss of generational wealth, often from minority households, created by the current tax sale system underscores the importance of creating ways to further support homeowners.

HB852 provides significant protections to numerous homeowners impacted by tax sale. The Homeowner Protection Program allows the State Ombudsman to work with homeowners, determine what supports are needed, connect the homeowner to additional resources available, and structure repayment in a way that is affordable to the homeowner. These steps will help bring economic equity to homeowners who are able to enroll in the program. We look forward to working together with the State Ombudsman to ensure the most vulnerable residents are able to access the Homeowner Protection Program.





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I have attached to this letter some minor technical amendments that we recommend for the bill. They are largely designed to ensure the program is clear to participants receiving notice about the program. We appreciate the sponsors openness to feedback and gladly work with her to ensure successful implementation.

We strongly support HB852 and respectfully request a **favorable report**.

Sincerely;

A handwritten signature in black ink, appearing to read "D. T. Ellis".

Daniel T. Ellis
Executive Director



Notes on HB852

Page 4 lines 6-12 Notice

- Tax sale can be for more than just taxes. Line 9 seems to imply that this is only for taxes. Some notices go for other liens. To be consistent for all properties we may want to list as “taxes or other fees due”
- Line 10-11 indicates that the collector will “ proceed to sell the above property”. This is actually not accurate and may confuse some property owners. In the current system the collector sells the debt associated with the property but not the property itself. After the tax sale the property is still owned by the prior owner who can redeem the property up until a final foreclosure notification occurs. I would change the language to read “the collector will proceed to offer the property at tax sale to satisfy your entire indebtedness.”

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- Page 5 line 21 we may want to change “would” to “could help” to manage expectations since the tax credit doesn’t fully pay tax obligations. Also at the end of line 21 change “would” to “could”

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- Line 24 may be better to have SDAT determine the maximum amount of dollars that can be invested in the program. The difference is that in some parts of the state tax sale thresholds are very low while higher in others. Using the dollar indicator will allow the State Ombudsman to determine priorities as to how best to deploy the money and support as many homeowners as possible from around the state.