



## MARYLAND LEGISLATIVE LATINO CAUCUS

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TO: Delegate C. T. Wilson, Chair  
Delegate Brian M. Crosby, Vice Chair  
Economic Matters Committee Members  
FROM: Maryland Legislative Latino Caucus (MLLC)  
DATE: 2/27/2022  
RE: HB0804 Commissioner of Financial Regulation- Enhanced Consumer Protections and Enforcement Tools

### **The MLLC supports HB0804 Commissioner of Financial Regulation- Enhanced Consumer Protections and Enforcement Tools**

The MLLC is a bipartisan group of Senators and Delegates committed to supporting legislation that improves the lives of Latinos throughout our state. The MLLC is a crucial voice in the development of public policy that uplifts the Latino community and benefits the state of Maryland. Thank you for allowing us the opportunity to express our support of HB0804.

People of racial and ethnic minorities, including Latinos, are more likely to be the victims of misleading and predatory lending by banks and non-bank financial institutions. Lenders often discriminate against Latino Americans on the basis of race, by either refusing to give loans to them or giving loans at noticeably higher rates than other demographics. By 2006, the rate of assuming subprime mortgages had increased among the nation's Latino community by 47.3%, compared to the nation's White Americans, which was by only 26.1%. While racial discrimination has long been a crime for Maryland banks, non-banks tend to fly under the radar, taking advantage of Latino Americans without accountability or hope for restitution.

This bill would enable the Office of Financial Regulation to hold non-banks responsible for their business practices, particularly in lending. The Latino community would benefit from being better protected against discriminatory, misleading, and predatory lending practices from non-banks.

Latino consumers are expected to become one of the largest, and most important demographic groups for home buying in the United States. In the wake of the subprime mortgage crisis, Latino homeownership rates declined to a low of approximately 45% of the Hispanic population in 2014. That percentage rose to about 49% by 2020, close to the pre-crisis level. Part of this is from lower interest rates, which honest lending institutions have been adopting. Latino Americans are expected to encompass about 70% of the homeownership growth between 2020 and 2040, and many of them will be Marylanders. This bill would be a long-needed improvement to the state's oversight of non-bank financial institutions, and a long-term investment in Maryland's Latino community.

For these reasons, the Maryland Legislative Latino Caucus respectfully requests a favorable report on HB0804.