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HB0367 - Landlord and Tenant – Repossession for Failure to Pay Rent – Rental Assistance Programs

**Hearing before the House Environment and Transportation Committee,
Feb. 8, 2022**

Position: SUPPORT (FAV)

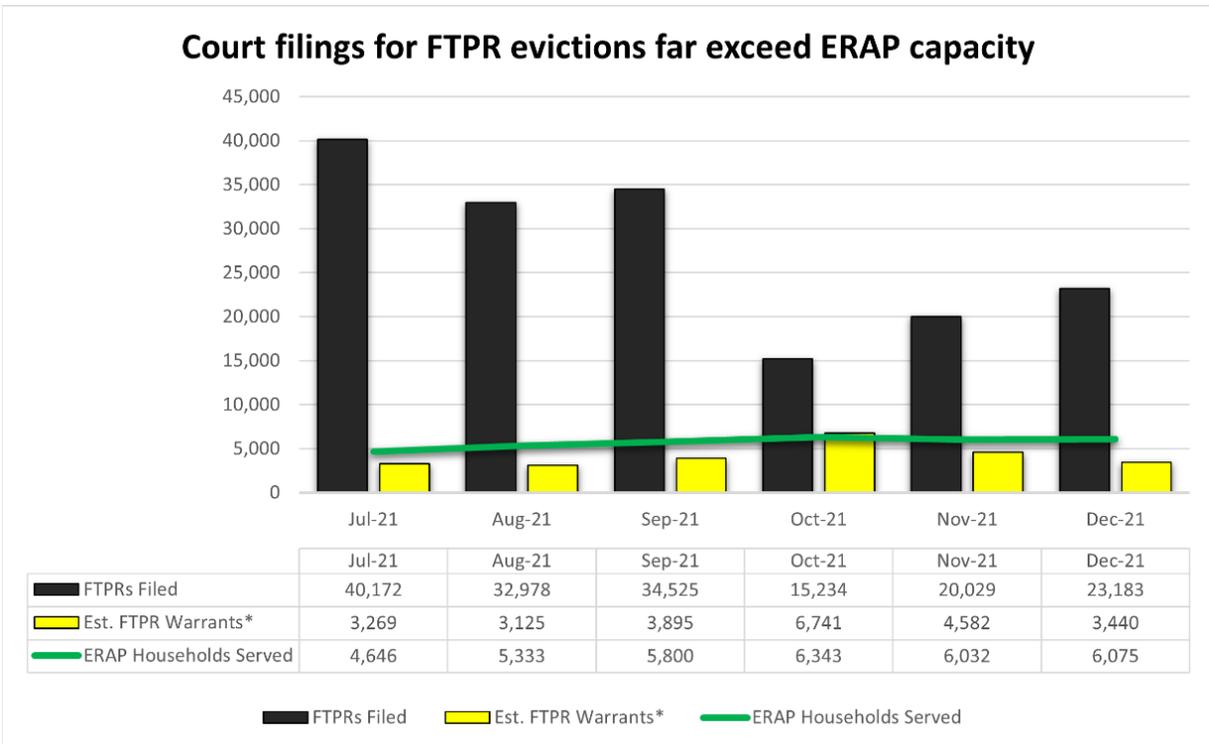
Maryland has unprecedented funding to prevent evictions. Every dollar of our [estimated rent debt of \\$392 million](#) (Dec. 2021) can be paid by the local emergency rental assistance programs (ERAPs) that have scaled up over the past year to deploy federal relief funds. Yet, in the second half of 2021, there were nearly 27,000 eviction cases filed for non-payment of rent per month. In that time, 705 households were evicted per month.

These eviction cases proceeded because Maryland did not take steps in the 2021 Session to require that landlords utilize emergency rental assistance before they can file Failure To Pay Rent (FTPR) eviction actions. HB0367 creates the pre-requisite step, to ensure that applications are made to utilize federal funds, cover outstanding rent, and avoid any resort to litigation.

Public Justice Center (PJC) supports this measure and seeks the Committee’s Favorable report on HB0367. PJC is a nonprofit public interest law firm that serves over 600 renters each year. We stand with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory. **In 2021 we worked closely with Baltimore City to establish the Pandemic Rent Court Program**, with the objective of increasing utilization of federal rent relief before entry of judgment in FTPR actions. Unfortunately, the common refrain among judges has been that Real Property § 8-401 does not permit them to force landlords to use rental assistance – even with the local ERAP personnel right outside the courtroom.

HB0367 will make Emergency Rental Assistance distribution more efficient

Even as local rental assistance programs have worked overtime to innovate solutions that make landlords whole while keeping residents housed, they were exceedingly outpaced by eviction filings. In July 2021, the ratio of FTPR eviction filings to households served by ERAPs was nearly **9:1**. Even with the incredible ramp-up effort over summer and fall, plus the implementation of new notice requirements under HB18 (Oct. 2021), that ratio was still approximately **4:1**.



Sources: Maryland Judiciary, <https://mdcourts.gov/district/about#stats>; Department of Housing and Community Development, <https://rentrelief.maryland.gov>

Amid this tide of eviction litigation, ERAPs have had to prioritize applications in which tenants face pending evictions. They have collaborated with local sheriffs to identify addresses slated for eviction. The work of broadly distributing federal relief funds has become the urgent triaging of scheduled evictions. The cost of this dynamic has been to place timely applications on hold, to have tenants waiting months for assistance, until they are on the brink of losing their home.

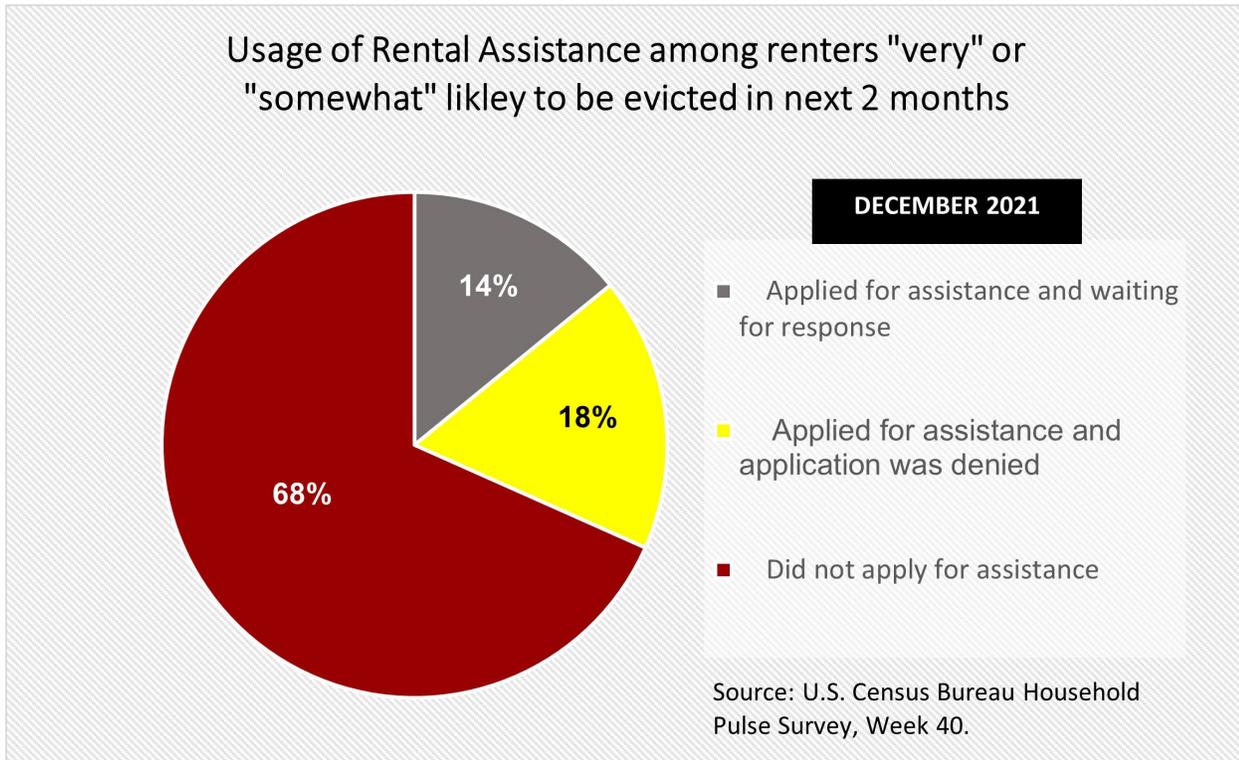
HB0367 would ensure that ERAPs have 45 days to work on a rental assistance application before the landlord proceeds with filing an FTPR eviction action. This is a measure styled after laws adopted in other jurisdictions, including nearby Philadelphia, Washington, D.C., and Virginia. See National Low Income Housing Coalition, [Tenant Protections and Emergency Rental Assistance during and beyond the COVID-19 Pandemic](#) 5-6 (Jan. 2022).

ERAPs need legal tools to help get the money out fairly

Without a policy of prioritizing rental assistance ahead of eviction actions, Maryland allowed 4,618 households to be evicted for non-payment of rent in the latter half of 2021. This was a moral and political failure that could have been worse but for federal eviction moratorium policies and COVID-19-related scheduling delays in Maryland's district courts. Now ERAPs are working without the benefit of slowed-down eviction proceedings. HB0367 would provide a new legal tool that helps local programs to distribute nearly \$400 million in remaining rental assistance funds in a fair, effective manner.

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As of January 2022, the US Census Bureau Household Pulse Survey (Week 41) showed that 62% of Maryland renters feel “very” or “somewhat” likely to be evicted in the next two months. They are primarily households of color, with children, earning less than \$50,000, and having recently lost employment income in the past four weeks. Many of these households have not yet used emergency rental assistance:



The time for critical interventions in the rental housing arena is far from over. The General Assembly must act to bridge these Maryland household to local Emergency Rental Assistance Programs before they are subject to eviction proceedings. For this reason, we support HB0367.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Committee **issue a report of FAVORABLE on HB0367**. If you have any questions, please contact Zafar Shah, shahz@publicjustice.org, (410) 625-9409 Ext. 237.