



## **House Bill 367 – Landlord and Tenant – Repossession for Failure to Pay Rent – Rental Assistance Programs**

### **Position: Unfavorable**

Maryland REALTORS® opposes HB 367 which potentially delays the time that a landlord may file for eviction due to nonpayment by another 59 days.

Last year, legislation was passed that doubled the time between a tenant's nonpayment and when the landlord could file a complaint with the court. HB 367 would add to the new time limit if a tenant failed to pay rent as a result (either directly or indirectly) of the COVID-19 pandemic. In that case, the landlord would be required to file for rent relief on behalf of the tenant unless the tenant applied for relief themselves, entered into a payment plan with the landlord or paid the rent in full.

The REALTORS® are concerned about the following provisions. First, although the bill seems to intend that the rent relief programs be the COVID relief programs referred to as the Emergency Rental Assistance Programs (ERAP), the bill defines a rent relief program as any state, federal, or local program. Thus, it is unclear if rent relief refers only to ERAP funding or the federal housing voucher programs or other local programs unrelated to the COVID funding. A landlord is unable to apply on behalf of a tenant for many forms of rental assistance, although most ERAP funding now allows landlords to apply under certain conditions.

Second, the bill could mean that a landlord is unable to file for eviction after nearly two more months of nonpayment. Under the bill, once the assistance has been applied for, the landlord is prohibited from filing for eviction until either the tenant has been approved for rental assistance or 45 days have passed without approval. The bill would allow an additional 14 days for a second application.

And, even if the ERAP assistance is approved, it is not uncommon for the payments to be delayed by months. If you are a small landlord trying to pay both the mortgage on your rental property and your own mortgage, these months of delay can be impossible for you to meet your financial obligations. Some of our property manager members have relayed stories of landlords who have faced foreclosure, short sale, and even one landlord who moved in with his children to keep his rental property.

For these reasons, Maryland REALTORS® request an unfavorable report.

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