



House Bill 674 – Landlord and Tenant – Stay of Eviction Proceeding for Rental Assistance Determination

Position: Unfavorable

The Maryland REALTORS® opposes HB 674 which would prohibit a landlord from evicting a tenant for nonpayment of rent if the tenant is waiting for rental assistance. If a landlord does not accept rental assistance, the landlord would be prohibited from initiating any judicial action against the tenant.

The Maryland REALTORS® represents approximately 30,000 real estate licensees statewide. About 30% of our members own rental property or act as property managers for owners of real estate. On average, our members own/manage 3.5 properties.

Most of our members represent owners of single-family properties (4 units or less). In fact, nationally about 41% of renters live in single-family rentals -- 77% of which are owned by individual investors (so called mom and pop owners). Many small owners are not only paying a mortgage on their own property but also paying a mortgage on their investment property which their rent helps cover.

While the Emergency Rental Assistance Programs (ERAP) have helped many tenants and landlords, these programs are not perfect. It is not uncommon for the rental assistance payments to be delayed by months. A small investor who misses months of payments may not be able to continue the mortgage payments on the rental property.

While some question why a landlord wouldn't accept rental assistance, it is for this reason. They may not be able to financially cover the wait period. The Maryland REALTORS® believe judges should continue to have the discretion to weigh the individual circumstances of both parties to determine whether an eviction should be stayed based on a rental assistance application. In addition, there should be some cap on how long a landlord must wait.

Finally, the legislation would have unintended results by denying a landlord the right to "initiate any other judicial action." That could apply to a tenant who is being evicted due to a breach of lease having nothing to do with the payment.

For these reasons, the REALTORS® recommend an unfavorable report.

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