

REGIONAL MANAGEMENT INC.

Testimony of Regional Management, Inc.

Senate Bill 223 - Oppose

February 3, 2022

For over 60 years Regional Management, Inc., a founding member of the Maryland Multi Housing Association, has managed over 5,000 affordable, unsubsidized rental homes for Baltimore City and County residents. We voluntarily serve lower and middle income customers because that is our mission and market niche and we provide these services without taking any Government tax breaks or requiring our customers to seek any government subsidies. Our rentals are well planned, sustainable, multifamily garden and townhouse style housing and, at an average age of 40 years old, all of these units remain attractive, affordable and well maintained. Our staff members take pride in serving our customers and we have continued to provide excellent service throughout the pandemic regardless of the fact that, even with the help provided by rental assistance programs, we still are experiencing a rent delinquency rate of 28%.

RMI, **OPPOSES** Senate Bill 223 for all of the reasons provided by MMHA. However, RMI and its staff specifically want to dispel the Attorney General's naïve notion that "knocking on tenant's doors" to collect delinquent rents is a viable alternative to seeking Court redress.

A. "Door Knocking" Is Inherently Dangerous

Tenants with delinquent rent payments are highly stressed and often volatile. A perfect example of this is the case of Tionn Casey, a former RMI tenant, who mistakenly believed that during the pandemic he was not responsible for paying rent and that any rent he paid during the pandemic should be refunded to him. In August, 2021 he owed almost \$11,000 in unpaid rent. RMI notified him by letter about applying for rental assistance but he refused to do so unless RMI refunded his previously paid rent. See, staff notes attached.

On August 13, 2021 Casey shot a 64-year-old RMI Maintenance Mechanic 3 times while he was performing requested service to Casey's air conditioner because the Mechanic could not add an additional air conditioner to Casey's apartment. When the Mechanic explained that he did not have the authority to do so, the tenant pulled out his gun and shot the Mechanic as he ran from the apartment. The Mechanic survived this attempted murder because he received immediate care from Maryland Shock Trauma Center however, none of the 3 bullets can safely be removed from his legs and buttocks, he suffers extensive nerve damage to both of his legs, is in constant pain and cannot return to work. Casey awaits Trial for multiple counts of attempted murder, See CBS Baltimore (WJZ) article, attached.

This is only one example of the dangerous unpredictability of tenant reactions that Housing Providers and their staff will inevitably encounter if they follow the Attorney General's callow suggestion. This Legislature has long acknowledged that the way to avoid horrific outcomes like this is to bring disputes to the Court system which provides fair, unbiased and knowledgeable decision making for all litigants. SB 223's unrecoverable "Legal Access Tax" in favor of "Door Knocking" debt collection will exacerbate, not diffuse these inevitable situations.

B. "Door Knocking" often seen as a "Shakedown" Debt Collection tactic, may expose Housing Providers to unnecessary litigation.

The Attorney General and other supporters of SB 223 recently told this Legislature that instead of Housing Providers bringing unpaid rent matters before an unbiased judicial arbiter, that they want them to resort to knocking on residents' doors to demand rent payments. In response, one Democratic lawmaker accurately described that as a "shakedown" and cautioned the supporters against encouraging such behavior. RMI agrees with that Democratic lawmaker, and argues that members of the Maryland General Assembly should refuse to promote the shakedown of residents – it is unconscionable.

Moreover, the Attorney General's suggestion that "Door Knocking" is a substitute for established legal process will ultimately expose Housing Providers to potential litigation under Fair Debt Collection laws, particularly if they utilize a "Door Knocking " service. See, *Siwulec v. J.M. Adjustment Services, LLC*, 2012 WL 666649 (3d Cir. 2012), where the Court of Appeals for the Third Circuit found that a Bank's "door knock" service was subject to the FDCPA, and was not a mere delivery service of letters for the Bank and *Romine v. Diversified Collection Services, Inc.*, 155 F.3d 1142 (9th Cir. 1998), where the Ninth Circuit held that Western Union was a debt collector when it advertised "Talking Telegrams" to aid debt collectors in contacting delinquent debtors.

For all of these reasons Regional Management, Inc. asks this Legislature to continue to support the rights of both Tenants and Housing Providers to safely bring their rent collection matters before Maryland's Courts as they have done for over 50 years under this Legislature's guidance and governance and give

SB 223 an UNFAVORABLE report

Respectfully Submitted;
Katherine Kelly Howard, Esq.
General Counsel for Regional Management, Inc.
410 539 2370
khoward@regionalmgmt.com

23 [1522EEAS] 1522 E EAST 36TH ST 133-6-0066 OAKR STU 1ST
 TIONN A. CASEY RENT 681.00 OCCUPIED 1/14/12
 LEASE BEGINS 1/14/21 A TYPE 1YR

CODES: - DIR . DAT) EXT / PO = RECALL , OT ! OT ADDR : OT \$; # 0 REJ
 5/22/20 COMMENT: BILL SENT
 6/02/20 BALANCE FEB/14 MO 34.00 CASEY
 6/02/20 RENT MAR/14 681.00
 6/02/20 RENT APR/14 681.00
 6/02/20 ON/ACCT MAY/14 680.00
 6/23/20 COMMENT: BILL SENT
 7/22/20 COMMENT: BILL SENT
 8/24/20 COMMENT: BILL SENT
 9/22/20 COMMENT: BILL SENT
 9/24/20 NO RENT INCREASE : PRESENT RENT EQUAL SCHEDULE
 4/14/21 OLD TEN'T COLL. 100.00 JOHNSON 221
 4/14/21 REFUND OF RENT 33.33CR &RUPP & ASSOC.
 4/30/21 ----- 2,142.67 ----- 557.00
 5/12/21 OLD TEN'T COLL. 200.00 JOHNSON 221
 5/12/21 REFUND OF RENT 66.66CR &RUPP & ASSOC.
 6/15/21 OLD TEN'T COLL. 100.00 JOHNSON 221
 6/15/21 REFUND OF RENT 33.33CR &RUPP & ASSOC.
 STATUS E ON/ACCT .00 BCCF T 557.00
 Q 1.00 .00 .00 .00 .00 .00 .00 .00 .00
 Window RENTINQ/1 at CPMCP1
 RCV | |FORM| |LTAI| |Col 7|Row 1|Page 1|E1SR3

Mr. Casey would like his April, May and June 2020 rents reimbursed because he was not supposed to pay because of the pandemic. He said he did not receive any bills and will not apply for any assistance until he has proof he owes. I told him we can send him a letter of what is owed and a copy of any bills if we had any. Phone # 443-804-4278

- Sonia
6-17-2020

**Regional
Management
Inc.**

June 18, 2021

Via: Mail

Re: 1522 East 36th St Apt E
Tenant(s) Tionn A. Casey
Rent Amount: \$681.00

To Whom It May Concern:

In reference to the above unit, the total amount needed to bring your rent account up to date is:

\$681.00	June 14 th rent (2020)
\$681.00	July 14 th rent
\$681.00	Aug. 14 th rent
\$681.00	Sept. 14 th rent
\$681.00	Oct. 14 th rent
\$681.00	Nov. 14 th rent
\$681.00	Dec. 14 th rent
\$681.00	Jan. 14 th rent (2021)
\$681.00	Feb. 14 th rent
\$681.00	Mar. 14 th rent
\$681.00	April 14 th rent
\$681.00	May 14 th rent
\$681.00	June 14 th rent

TOTAL AMOUNT DUE: \$8,853.00

Please pay by certified check or money order, made payable to Regional Management Inc. (RMI) at 11 E. Fayette St. If you have any questions, please feel free to contact me at 410-539-2370 Ext 1354.

Sincerely,

Mrs. Ivy Ologbosere
Tenant Relations Supervisor
Regional Management Inc.
ishufford@regionalmgmt.com

(410) 539-2370 11 EAST FAYETTE ST. BALTIMORE, MARYLAND 21202

Baltimore Man Charged With Attempted Murder For Shooting Maintenance Worker

BALTIMORE (WJZ) — A Baltimore man is charged with first-degree attempted murder for shooting a maintenance worker in northeast Baltimore last month, police said.

Officers responded on the afternoon of August 13 to an apartment on the 1500 block of East 36 Street, where they found a 64-year-old maintenance worker suffering from gunshot wounds to the lower extremities.

Other maintenance workers directed officers to the apartment of 41-year-old Tionn Antonio Casey.

Police learned the worker made a maintenance visit to Casey's apartment. Police said Casey, armed with a handgun, demanded the worker leave the apartment.

As the worker attempted to leave the apartment, Casey shot the victim, police said. Casey remained in the apartment until police arrived. He was arrested without incident.

Casey is currently being held without bail at Central Booking.