



RITTERMORTGAGEGROUP  
♦ I N C O R P O R A T E D ♦

02/16/2022

To: Ways and Means Committee  
From: Jonathan Ritter

Re: House Bill 809

Dear Sir/Madam,

Our fellow citizens of Maryland who are former members of our military are exempt from real estate taxes if they are found to have a 100% Disability Rating from their time in our Armed Forces. Unfortunately, they cannot apply for this exemption until they are in ownership of their home.

While this is a wonderful benefit to our disabled veterans, it does present unintended challenges to the veteran when the veteran is attempting to qualify for their home loan to make the property purchase. For example, underwriting guidelines require underwriters to include the monthly cost of the property taxes in calculating the veteran's debt ratio. This undercuts the veteran's purchasing power as income must be applied to the taxes because the property taxes have not been exempted at the time of purchase. Consequently, the veteran must purchase a lessor home than he/she could have purchased because of the timing the exemption is processed.

Additionally, the veteran must also bring additional funds to closing to fund their escrow account for the payment of property taxes and home insurance going forward. This can add thousands of dollars to the veteran's cash to close to then have to wait for it to be refunded several months down the road when the property tax exemption is processed. This can cause an unnecessary strain on the veteran when cash is needed the most when becoming a homeowner for items such as moving expenses, repairs, furnishings, etc.

The proposed HB0809 resolves these issues and allows the veteran to apply for the exemption prior to owning the home so that it does not count against them in qualifying for the home loan and negates the need to bring additional funds to closing to only wait for its return. For these reasons, I urge a favorable report on House Bill 809.

Sincerely,

Jonathan Ritter  
President  
Ritter Mortgage Group, Inc.  
NMLS 1436890  
jon.ritter@rittermortgage.com