



**Harborside**  
**HOME LOANS**  
*A first rate experience.*

February 17, 2022

RE: House Bill 809

I write to voice my support, and that of Harborside Home Loans, in favor of House Bill 809. One-Hundred-Percent Disabled Veterans are exempt from real estate taxes in Maryland. However, a Disabled Veteran cannot apply for that exemption until after he or she closes on the purchase of a home and title is transferred. While at first glance this policy might appear to make sense, because the tax exemption cannot be applied for and approved until after title is transferred, the policy requires mortgage lenders to consider the expense of real property taxes as a liability when qualifying Disabled Veterans for a loan. Doing so often impacts a Disabled Veteran's ability to attain a loan or the amount of financing the Disabled Veteran might qualify for.

In addition, federal regulations require mortgage lenders to collect substantial upfront amounts to fund an escrow account at closing to guarantee sufficient tax reserves are held – essentially collecting for a tax bill which will likely never be due. This typically burdens a Disabled Veteran, forcing him or her to come up with thousands of extra and unnecessary dollars in order to close on their home purchase. While the Disabled Veteran will eventually be reimbursed those amounts, having to pay out thousands of dollars and then wait for their tax exemption to be approved and then escrow reimbursement check to be mailed creates a substantial hardship for many disabled veterans seeking to become homeowners.

HB809 resolves both of these problems, and does so at no additional cost to the State, and no additional logistical burden. It will allow Disabled Veterans to apply for their real property tax exemption prior to closing on their home so that the Disabled Veteran can provide the lender the required confirmation that their exemption is approved. It will undoubtedly help veterans qualify for home financing and avoid paying superfluous up-front amounts.

For the reasons stated *supra*, I urge a FAVORABLE REPORT on House Bill 809.

Of course, please do not hesitate to call me if you have any questions – (410) 215-6650. Thank you.

All the best,

Hal Jared Blatt  
Sr. VP, Mortgage Loan Originations  
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