



SB0671 – Foreclosure Proceedings - Residential Mortgagors and Grantors – Access to Counsel
Hearing before the Judicial Proceedings Committee
February 20, 2024

Position: SUPPORT (FAV)

SUPPORT: Arundel Community Development Services, Inc., (“ACDS”) urges this Committee to issue a Favorable report on SB0671, which would ensure that Maryland homeowner’s have meaningful access to legal services in residential foreclosure proceedings.

ACDS serves as Anne Arundel County’s nonprofit housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of safe and affordable housing opportunities, programs to prevent and end homelessness, and community development initiatives. As part of this role, ACDS advises the County on issues related to affordable housing, develops housing and community development strategies for Anne Arundel County, and implements programs that provides direct assistance to renters facing eviction and homeowners facing foreclosure.

To address serious housing challenges and ensure that Anne Arundel County is “the Best Place for All,” the Anne Arundel County is tackling the housing crisis with a multi-faceted approach, including the implementation of programs to help residents who have housing to keep that housing. In addition to eviction prevention programs for renters, through ACDS, Anne Arundel County also provides foreclosure prevention counseling for Anne Arundel County homeowners facing foreclosure. While our counselors can help homeowners with education about their rights and the foreclosure process, they are not lawyers. We find it is rare that homeowners can retain attorneys, which puts them at a huge disadvantage. During the 2008 foreclosure crisis, the legislature enacted laws intended to improve the foreclosure process and provide homeowners a fair chance to save their homes. However, even with the new laws, the process is extremely complicated. Without legal counsel to help navigate the processes and deal with mortgage company attorneys, homeowners face insurmountable challenges that limit meaningful participation in the foreclosure process and can result in the loss of a home that otherwise might have been saved.

In Anne Arundel County, *we know from experience that legal representation matters and can mean the difference between keeping or losing the roof over a family’s head.* In 2020, even before federal Covid-related funds began flowing and before the State’s Access to Counsel in Evictions Program was funded, Anne Arundel County utilized County funding to support the creation of the Anne Arundel County Eviction Prevention Legal Program (EPLP). Since the EPLP began, the evictions of thousands of County residents have been prevented through a combination of the presentation of valid legal defenses in court and legal representation to help coordinate funding or negotiate settlements so that landlords get paid.

Just as the ACE Program provides legal counsel for renters in eviction cases, SB0671 establishes a right to legal counsel for homeowners in foreclosure cases. We expect that legal counsel in foreclosure cases will be equally successful to preserve housing stability – again, through a combination of the presentation of valid legal defenses in court and coordination of funding programs and other tools that help lenders get paid. SB0671 is also beneficial the community, overall. Foreclosed, vacant homes impact neighborhoods, and the value of homes surrounding a foreclosed property is lowered. SB0671 will help maintain thriving communities, keep families housed, and help maintain generational wealth by preserving homeownership.

For the reasons noted above, ACDS urges the Committee to issue a FAVORABLE report on SB0671.