



2021 HOUSING JUSTICE PACKAGE

Emergency Homeowner Protections

Sponsored by Del. Vaughn Stewart and Sen. Jill Carter

The COVID-19 pandemic has exacerbated pre-existing insecurity for working-class homeowners in our state. Even before anyone had heard of COVID-19, Maryland consistently ranked among the top states for rates of foreclosures. The CARES Act, combined with Governor Hogan's foreclosure executive order, have provided forbearance relief for thousands of Maryland homeowners during this crisis. However, many servicers remain unaware of these orders. Many others have willfully violated them.

Maryland faces a massive foreclosure crisis as foreclosure moratoria and forbearance provisions expire in 2021. The General Assembly must pass legislation to extend the moratorium, guarantee forbearance, ease the repayment process, and hold servicers who violate the law accountable. Anything less will put thousands of homeowners at risk of foreclosure and homelessness.

Foreclosure moratoria are scheduled to end this winter, and forbearance relief will expire for most homeowners this spring. Maryland homeowners need expanded protection and relief by statute.

- CARES Act – included forbearance provisions that allowed borrowers with government-backed mortgages to postpone (or reduce) payments for up to 12 months if they suffered COVID-related financial hardship.
- FHA Order – established a foreclosure moratorium through February 28, 2021 for federally-backed loans.
- Hogan's Executive Order – required up to 12 months of forbearance for non-federally-backed loans. The Order also established a foreclosure moratorium until January 31. After January 31, the Order requires servicers to notify borrowers of their forbearance rights and grant requested forbearances before proceeding with foreclosures.

Homeowner Relief Act of 2021

- ✓ Extend and codify a foreclosure moratorium through the state of emergency, for both homeowners and small landlords.
- ✓ Require mortgage servicers to grant forbearance relief through the state of emergency.
- ✓ For both homeowners and small landlords, who have exhausted forbearance options, establish the default repayment option as deferring missed mortgage payments to the end of the loan.



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- ✓ Ban late fees through the state of emergency.
- ✓ Require prompt notice of all these rights to homeowners and small landlords.
- ✓ Until one year after the end of the state of emergency, prohibit servicers from furnishing negative credit information to consumer reporting agencies related to mortgage payments subject to forbearance.
- ✓ Create a private right of action for homeowners and small landlords to sue servicers who violate the law.



Tell your legislators to pass the 2021 Housing Justice Package

Sign on to endorse the Package