



House Bill 106

*Department of Housing and Community Development –
Homebuyer Education Requirements*

MACo Position: **SUPPORT**

To: Education, Health & Environmental Affairs
Committee

Date: April 4, 2017

From: Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS** HB 106. This bill intends to modify homebuying education requirements for the Department of Housing and Community Development's (DHCD) Down Payment and Settlement Expense Loan Program (DSELP). As amended by the House, the bill allows the State to reach its goals effectively without unintended consequences that may undermine complementary local programs.

Currently, in addition to meeting the homebuyer education requirements of the State, a homebuyer interested in receiving a loan through the DSELP program must also meet the homebuyer education requirements of the county where the property is located. Counties were concerned that HB 106 as introduced removed the provision that a homebuyer meet the county's education requirements. As amended, HB 106 clarifies that the change in homebuyer education requirements for the state program does not alter or preempt local authority to establish homebuyer education or counseling requirements for a down payment assistance program operated by the county.

Local governments that offer homebuyer incentives do so to help individuals achieve the American dream of homeownership. As with the state programs, these incentives are tied to completing homebuyer education to ensure that these buyers are thoroughly informed and in the best position to handle the myriad of complicated paperwork and responsibilities that come with homeownership. Some counties have more stringent education standards than the State and did not want to see these standards weakened. As communities across Maryland continue to deal with the impacts of foreclosures, these counties are invested in ensuring that their future homeowners are prepared for the significant decision they are making in purchasing a home before they are locked in by a contract.

In many areas of law, the State sets a "floor" and local jurisdictions are empowered to exceed that floor based on their own needs. This model should work for these homebuyer programs, and the amendment language to retain county authority for local programs would help them continue.

MACo believes HB 106 as amended provides a way to modify the counseling process, while ensuring that potential homebuyers are still receiving the best homebuyer education possible. For these reasons, MACo urges a **FAVORABLE** report on HB 106.