



## House Bill 106

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

MACo Position: **SUPPORT**

To: Environment and Transportation Committee

**WITH AMENDMENTS**

Date: January 31, 2017

From: Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS** HB 106 **with AMENDMENTS**. This bill intends to streamline homebuying education requirements for the Department of Housing and Community Development's (DHCD) Down Payment and Settlement Expense Loan Program (DSELP). MACo's concerns are to ensure the state is able 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 are concerned that HB 106 removes the provision that a homebuyer meet the county's education requirements.

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 do 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.

Additionally, county incentive programs afford homebuyers the opportunity to layer the local incentives with those provided by the State. The changes in this bill can result in some homebuyers being unaware that the county in which they are purchasing has more stringent homebuyer education requirements than the State. These homebuyers may now be put in the unfortunate position of missing out on county incentives. When homebuyers are required to also meet the local homebuyer education standards, they are in the best position to maximize the financial assistance they are eligible to receive.

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 amendment language to retain county authority for local programs would help them continue.

MACo believes there is a better way to work with county governments to streamline this process, while ensuring that potential homebuyers are still receiving the best homebuyer education possible. For these reasons, MACo urges a **FAVORABLE with AMENDMENTS** report on HB 106.