



BILL NO.: House Bill 1374
TITLE: Real Property – Foreclosures and Mediation
POSITION: **SUPPORT WITH AMENDMENTS**
DATE: March 9, 2012
COMMITTEE: Environmental Matters
CONTACT: Andrea Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** House Bill 1374 **WITH AMENDMENTS**. This bill would implement two recommendations of the Maryland Foreclosure Task Force that will serve as additional tools to confront escalating foreclosures and the resulting blight on communities. The bill would establish a pre-filing mediation process to assist homeowners in retaining their homes prior to foreclosure documentation being filed in the Circuit Court and it establishes a “fast track” process for the liquidation of vacant properties.

The goal of the pre-filed mediation is to provide a mechanism for homeowners to retain their homes before they have accumulated arrears in an amount that makes it impossible for an affordable retention option to be developed. This process is intended to function much in the same way as the current post-file mediation program and is not intended to replace any other available loss mitigation options that are offered to homeowners facing foreclosure.

The “fast track” process is aimed at eliminating the elongated timeframe that leaves vacant properties in disrepair. Currently, the foreclosure process for vacant and non-vacant properties follows the same timeline; this is despite the fact that vacant properties are unoccupied and deemed unfit for human habitation under local health and/or housing codes. Given the disastrous impact such properties have on the health of neighboring property owners, as well as neighborhoods generally, this expedited process will move these properties into the hands of owners who have the resources to make these properties fit for human habitation.

For a property to be “fast tracked” a local jurisdiction is being given the authority to issue a certificate of vacancy to serve as independent verification of the vacant property at the time of filing. To provide further protections to properties that may be occupied, an additional appeal process is being established. Some jurisdictions have expressed concern with this process and are therefore proposing technical amendments to this section of the bill. This amendment, being offered by Baltimore City, would make it clear that the provision involving a record owner or occupant to challenge a vacancy determination before a Circuit Court judge directly applies only in actions under this section of law. For challenges under this section, there would be no need to first exhaust all administrative remedies before appealing to the court, which is the case in all other challenges of such vacancy determinations.

MACo believes HB 1374 will assist homeowners in retaining their homes and serve to address the negative pressures vacant properties place on home values. MACo urges the Committee to give HB 1374 a **FAVORABLE** report **WITH** the **AMENDMENTS** offered by Baltimore City.