



Senate Bill 1022

Real Property – Vacant and Abandoned Property –Expedited Foreclosure

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Judicial Proceedings Committee

Date: March 14, 2017

From: Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS** SB 1022 **with AMENDMENTS**. This bill intends to establish an expedited foreclosure process for homes that are vacant and abandoned. These properties are often a source of blight and nuisance for the communities surrounding them.

MACo participated in the workgroup that studied foreclosures as well as vacant and abandoned properties with the goal of providing local governments additional tools for addressing problem properties. Following the House hearings on HB 607/SB 1022 and HB 702/SB 1033, stakeholders came to a consensus on amendments to establish a framework for an expedited foreclosure process. Workgroup participants agreed upon moving forward with HB 702/SB 1033 with amendments that create an effective expedited foreclosure process without unintended consequences that may undermine the benefits. MACo hopes the Committee considers this process and amendments proposed while debating the expedited foreclosure bills.

In particular to SB 1022 the following concerns were raised and addressed by the stakeholder amendments:

Authorization

The bill requires a secured party to foreclose on an abandoned property upon notice from an authorized party. The language should be changed to authorize rather than require the secured party to expedite foreclosure and to remove local governments from being required to trigger the start of the process. The decision to permit the expedited foreclosure should come from the court after review of the appropriate documentation and procedures. This provides flexibility for circumstances in which it is inappropriate or not advantageous to foreclose. It is important to balance the goals of expediting foreclosure against creating an environment in which obtaining a mortgage becomes more expensive or investment in certain neighborhoods more limited.

Homeowner Protections

While the community will benefit from a property that is no longer vacant and unmaintained, the bill should include stronger and clearer protections for the property owner on record. This should include adding provisions for notice and an opportunities to object and appeal. The criteria used to determine vacant and abandoned should be broadened and reinforced by appropriate documentation.

MACo hopes the Committee finds these comments and the consensus amendments helpful in working toward a shared goal of an efficient and effective process to expedite the foreclosure of vacant and abandoned properties. For these reasons, MACo urges a **FAVORABLE with AMENDMENTS** report on SB 1022.