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## **New Mortgage Debt Protections Highlight Mixed 2014 Session for Consumers**

**Baltimore, MD.** Final-day approval of legislation cutting the time banks have to file deficiency judgements against families that have lost their homes to foreclosures from 12 years to 3 years highlighted a 2014 legislative session that advanced consumer concerns on mortgage debt and car insurance issues but left many other consumer priorities still waiting for action.

“The good news on mortgage debts and car insurance provided bright spots in an otherwise mediocre legislative session for Maryland consumers,” MCRC Executive Director Marceline White notes.

Before the Assembly passed the mortgage debt reform bill sponsored by Del. Steve Lafferty and Sen. Jamie Raskin (HB 274/SB 708) on Sine Die, Maryland had one of the nation’s longest timetables for filing motions to collect post-foreclosure mortgage debts. Four hundred Maryland families suffered those “deficiency judgments” between 2008 and 2012 – pushing at least 144 families into bankruptcy. “The new law gives families who’ve struggled through foreclosures a better chance to rebuild their lives – without having a huge debt hanging over their heads for years and years,” MCRC Executive Director Marceline White notes.

MCRC was also very pleased to see the Assembly establish a task force (by approving HB130/SB153) on uninsured drivers and car insurance costs. “The high cost of insurance is a huge barrier to economic opportunity for working families in Maryland,” Marceline White observes. “We’re anxious to work with the task force to bring a low-cost car insurance program to Maryland.”

Other important victories for Maryland consumers this session include:

- **Tax Protections for Consumers in Debt:** Exempting mortgage debt written down in foreclosure (HB 923/SB 596) and student debts forgiven as a result of death or disability (HB 264) from state income tax.
- **Ticket Fairness:** Prohibiting use of “ticket bots” some brokers use to gobble up most of the tickets for events before most consumers have a chance to purchase (HB98/SB154)
- **Home Improvement Awards:** Raising to \$7,500 the damage awards the Maryland Home Improvement Commission can give homeowners without going to court (HB6)
- **Fighting Money Transfer Scams:** Requiring wire transfer agents to be trained to spot and stop fraudulent money transfers (HB 723).

Just as important as those some of those victories, however, was the defeat of bills backed by special interests that would have left Maryland consumers more vulnerable to financial fraud:

- **Debt buyers:** Bills to give new rights and recognition to “passive debt buyers” (SB 284 and HB 417) were withdrawn in committee in each house.
- **Car dealer self-regulation:** Bills to turn much of the oversight of MD auto dealers over to a new dealer-dominated Motor Vehicle Commission (HB941/SB 530) never got out of committee in either house.

But these consumer successes were mixed with significant setbacks on housing and other issues. On Sine Die, the Assembly approved a troubling bill that will block any effort by Maryland municipalities to try to use eminent domain powers to establish a fair current-market value for underwater mortgages and help families save their homes from foreclosure for the next two years. (SB 850).

And just as it did in 2013, the Assembly failed this year to act to license and regulate private process servers (SB 838), limit negative-option consumer sales (HB 652), enable plaintiffs to collect attorney’s fees in civil and constitutional cases (HB568/SB 544) or improve regulation of property managers that serve condominium communities (HB10/SB 274).

Consumer advocates were also disappointed that the legislature failed to act to expand penalties for financial fraud against seniors (HB 714) and for unauthorized disclosure of smart meter data (HB331/SB 280) or to forbid cramming of unauthorized charges onto cell phone bills (HB 788).

*The Maryland Consumer Rights Coalition (MCRC) is a statewide advocacy groups that protects and advances the interests of Maryland consumers through research, education, and advocacy. Find MCRC on the web at [www.marylandconsumers.org](http://www.marylandconsumers.org), on Facebook at [facebook.com/mdconsumers](https://facebook.com/mdconsumers) and on Twitter at [twitter.com/mdconsumers](https://twitter.com/mdconsumers).*