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September 1, 2020

The Honorable Lawrence J. Hogan, Jr.
Governor
State House
100 State Circle
Annapolis, Maryland 21401

Dear Governor Hogan:

Today, my COVID-19 Access to Justice Task Force sent you a letter describing the overwhelming needs facing Marylanders and asking you to dedicate CARES Act funding to address those needs. I write separately to tell you that I have identified approximately \$8 million in settlement recoveries that my Office expects to have available within the next month, and to request that these funds be used for the largest category of need described in the Task Force's letter—temporary rental assistance and related civil legal aid for families facing eviction.¹

As explained by the Task Force, thousands of tenants face eviction now that the current federal and state judicial moratoria have expired unless, as the Task Force has requested, you restore their effect by expanding upon your April 3 order on evictions and foreclosures. Temporary rental assistance and civil legal aid will prevent families and all of their possessions from being put out on the street as a result of a pandemic that is completely outside of their control. It will also prevent the many consequences that flow from loss of a home, including: increasing educational inequities, jeopardizing chances for employment, ruining credit scores, endangering the physical and mental health of the tenants and elevating the risk of spread of COVID-19.

The \$8 million that I urge be used for temporary rental assistance and related legal aid are funds available from the Office's 2017 settlement with Deutsche Bank. That settlement resolved claims related to the Bank's RMBS-related conduct during the last financial crisis. Under the terms of the settlement, any funds remaining after state and local government claims are paid go into the Mortgage Loan Servicing Practices Settlement Fund (*See* Md. State Fin. & Proc. § 7-328). Those remaining funds can be used, among other things, for "any ... public purpose reasonably related to housing and foreclosure relief." I believe preventing evictions is as critical a public purpose as exists right now.

¹ I include funding for legal services organizations as part of my request for use of these funds because, as explained in the Task Force letter and as many national and local studies establish, counsel in eviction cases often means the difference between families staying in their homes or losing their homes.

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Our offices have worked collaboratively in the past in circumstances like the one presented here. For example, when my Office obtained recoveries from the Bank of America settlement that were restricted for housing-related purposes, we agreed that a portion of those funds would remain in my Office for housing-related work, while the remainder of funds went to the Department of Housing and Community Development to support its important work on affordable housing and community revitalization.

I hope that you will agree that this \$8 million recovery should be used for the direct and immediate purpose of preventing homelessness in our communities.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian E. Frosh". The signature is fluid and cursive, with a large initial "B" and "F".

Brian E. Frosh
Attorney General of Maryland