

SENATE BILL 898

I1, D4, P1

2lr1864

By: **Senator Kagan**

Introduced and read first time: February 7, 2022

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Domestic Violence Survivor Resilience Loan Program and Guarantee Fund**

3 FOR the purpose of requiring a financial institution to establish a process to classify a loan
4 issued to a participant in the Domestic Violence Survivor Resilience Loan Program
5 as a domestic violence survivor resilience loan; requiring a financial institution that
6 employs loan officers to implement a training program on the dynamics of domestic
7 violence and financial abuse incorporating training materials developed by the Office
8 of the Commission of Financial Regulation; establishing the Domestic Violence
9 Survivor Resilience Loan Program within the Office of the Secretary of State to
10 establish eligibility for a domestic violence survivor resilience loan and provide loan
11 guarantees; establishing the Domestic Violence Survivor Resilience Loan Guarantee
12 Fund as a special, nonlapsing fund to guarantee a domestic violence survivor
13 resilience loan for up to a certain amount; requiring interest earnings of the Fund to
14 be credited to the Fund; and generally relating to the Domestic Violence Survivor
15 Resilience Loan Program and Guarantee Fund.

16 BY adding to

17 Article – Financial Institutions

18 Section 1–501 through 1–504 to be under the new subtitle “Subtitle 5. Domestic
19 Violence Survivor Resilience Loans”

20 Annotated Code of Maryland

21 (2020 Replacement Volume and 2021 Supplement)

22 BY repealing and reenacting, without amendments,

23 Article – State Finance and Procurement

24 Section 6–226(a)(2)(i)

25 Annotated Code of Maryland

26 (2021 Replacement Volume)

27 BY repealing and reenacting, with amendments,

28 Article – State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 6–226(a)(2)(ii)144. and 145.
2 Annotated Code of Maryland
3 (2021 Replacement Volume)

4 BY adding to
5 Article – State Finance and Procurement
6 Section 6–226(a)(2)(ii)146.
7 Annotated Code of Maryland
8 (2021 Replacement Volume)

9 BY adding to
10 Article – State Government
11 Section 7–401 through 7–410 to be under the new subtitle “Subtitle 4. Domestic
12 Violence Survivor Resilience Loan Program and Guarantee Fund”
13 Annotated Code of Maryland
14 (2021 Replacement Volume)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Financial Institutions**

18 **SUBTITLE 5. DOMESTIC VIOLENCE SURVIVOR RESILIENCE LOANS.**

19 **1–501.**

20 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
21 INDICATED.

22 (B) “DOMESTIC VIOLENCE” HAS THE MEANING STATED IN § 7–401 OF THE
23 STATE GOVERNMENT ARTICLE.

24 (C) “DOMESTIC VIOLENCE SURVIVOR RESILIENCE LOAN” MEANS A LOAN
25 ISSUED SUBJECT TO THE REQUIREMENTS OF THIS SUBTITLE.

26 (D) “FUND” MEANS THE DOMESTIC VIOLENCE SURVIVOR RESILIENCE
27 LOAN GUARANTEE FUND UNDER TITLE 7, SUBTITLE 4 OF THE STATE GOVERNMENT
28 ARTICLE.

29 (E) “PROGRAM” MEANS THE DOMESTIC VIOLENCE SURVIVOR RESILIENCE
30 LOAN PROGRAM UNDER TITLE 7, SUBTITLE 4 OF THE STATE GOVERNMENT
31 ARTICLE.

32 (F) “PROGRAM PARTICIPANT” HAS THE MEANING STATED IN § 7–401 OF
33 THE STATE GOVERNMENT ARTICLE.

1 **1-502.**

2 (A) A FINANCIAL INSTITUTION SHALL ESTABLISH A PROCESS TO CLASSIFY
3 A LOAN ISSUED TO A PROGRAM PARTICIPANT AS A DOMESTIC VIOLENCE SURVIVOR
4 RESILIENCE LOAN.

5 (B) (1) SUBJECT TO THE UNDERWRITING REQUIREMENTS OF THE
6 FINANCIAL INSTITUTION AND REGULATIONS ADOPTED BY THE COMMISSIONER, A
7 PROGRAM PARTICIPANT MAY APPLY FOR A DOMESTIC VIOLENCE SURVIVOR
8 RESILIENCE LOAN.

9 (2) A FINANCIAL INSTITUTION SHALL VERIFY AN INDIVIDUAL'S
10 STATUS AS A PROGRAM PARTICIPANT WITH THE SECRETARY OF STATE.

11 (3) WHEN EVALUATING AN APPLICATION FOR A DOMESTIC VIOLENCE
12 SURVIVOR RESILIENCE LOAN, A FINANCIAL INSTITUTION SHALL:

13 (I) EVALUATE THE APPLICATION IN A HOLISTIC FASHION; AND

14 (II) WITHOUT REQUIRING A PROGRAM PARTICIPANT TO
15 DISCLOSE INFORMATION ABOUT THE PROGRAM PARTICIPANT'S PERSONAL
16 HISTORY WITH DOMESTIC VIOLENCE, GENERALLY CONSIDER:

17 1. THE DYNAMICS OF DOMESTIC VIOLENCE AND
18 FINANCIAL ABUSE; AND

19 2. THE IMPACT OF DOMESTIC VIOLENCE ON THE
20 FINANCIAL QUALIFICATIONS OF LOAN APPLICANTS, INCLUDING THE IMPACT ON
21 CREDIT AND EMPLOYMENT HISTORY.

22 (C) THE RATE OF INTEREST THAT MAY BE CHARGED TO A PROGRAM
23 PARTICIPANT MAY NOT EXCEED 2% ABOVE THE AVERAGE INTEREST RATE FOR THE
24 TYPE OF LOAN APPLIED FOR AT THE TIME OF APPLICATION.

25 (D) ON OR AFTER JULY 1, 2023, A FINANCIAL INSTITUTION THAT ISSUES A
26 DOMESTIC VIOLENCE SURVIVOR RESILIENCE LOAN TO A PROGRAM PARTICIPANT
27 MAY APPLY TO THE DOMESTIC VIOLENCE SURVIVOR RESILIENCE FUND FOR A
28 LOAN GUARANTEE.

29 **1-503.**

30 (A) (1) THE COMMISSIONER SHALL DEVELOP TRAINING MATERIALS FOR

1 FINANCIAL INSTITUTIONS ON THE DYNAMICS OF DOMESTIC VIOLENCE AND
2 FINANCIAL ABUSE.

3 (2) THE TRAINING MATERIALS DEVELOPED UNDER THIS SUBSECTION
4 SHALL INCLUDE INFORMATION ON THE IMPACTS OF DOMESTIC VIOLENCE ON AN
5 INDIVIDUAL’S EMPLOYMENT AND CREDIT HISTORY.

6 (B) A FINANCIAL INSTITUTION THAT EMPLOYS LOAN OFFICERS SHALL
7 IMPLEMENT A TRAINING PROGRAM FOR LOAN OFFICERS ON THE DYNAMICS OF
8 DOMESTIC VIOLENCE AND FINANCIAL ABUSE, INCORPORATING THE TRAINING
9 MATERIALS DEVELOPED BY THE COMMISSIONER.

10 1–504.

11 THE COMMISSIONER, IN COORDINATION WITH THE SECRETARY OF STATE,
12 SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

13 Article – State Finance and Procurement

14 6–226.

15 (a) (2) (i) Notwithstanding any other provision of law, and unless
16 inconsistent with a federal law, grant agreement, or other federal requirement or with the
17 terms of a gift or settlement agreement, net interest on all State money allocated by the
18 State Treasurer under this section to special funds or accounts, and otherwise entitled to
19 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
20 Fund of the State.

21 (ii) The provisions of subparagraph (i) of this paragraph do not apply
22 to the following funds:

23 144. the Health Equity Resource Community Reserve Fund;
24 [and]

25 145. the Access to Counsel in Evictions Special Fund; AND

26 146. THE DOMESTIC VIOLENCE SURVIVOR RESILIENCE
27 LOAN GUARANTEE FUND.

28 Article – State Government

29 SUBTITLE 4. DOMESTIC VIOLENCE SURVIVOR RESILIENCE LOAN PROGRAM AND
30 GUARANTEE FUND.

31 7–401.

1 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
2 **INDICATED.**

3 **(B) “DOMESTIC VIOLENCE” MEANS A PATTERN OF BEHAVIOR INVOLVING**
4 **THE USE OR ATTEMPTED USE OF PHYSICAL, SEXUAL, VERBAL, PSYCHOLOGICAL,**
5 **EMOTIONAL, ECONOMIC, FINANCIAL, OR TECHNOLOGICAL ABUSE OR ANY OTHER**
6 **COERCIVE BEHAVIOR COMMITTED, ENABLED, OR SOLICITED TO GAIN OR MAINTAIN**
7 **POWER AND CONTROL OVER A VICTIM BY AN INDIVIDUAL WHO:**

8 **(1) IS A CURRENT OR FORMER SPOUSE OR DATING PARTNER OF THE**
9 **VICTIM, OR ANOTHER INDIVIDUAL SIMILARLY SITUATED TO A SPOUSE OF THE**
10 **VICTIM;**

11 **(2) IS COHABITATING WITH OR HAS COHABITATED WITH THE VICTIM**
12 **AS A SPOUSE OR DATING PARTNER;**

13 **(3) SHARES A CHILD IN COMMON WITH THE VICTIM;**

14 **(4) IS AN ADULT FAMILY MEMBER OF, OR A PAID OR NONPAID**
15 **CAREGIVER IN AN ONGOING RELATIONSHIP OF TRUST WITH, A VICTIM AT LEAST 50**
16 **YEARS OLD OR AN ADULT VICTIM WITH DISABILITIES; OR**

17 **(5) COMMITS ACTS AGAINST A YOUTH OR ADULT VICTIM WHO IS**
18 **PROTECTED FROM THOSE ACTS UNDER ANY FAMILY OR DOMESTIC VIOLENCE LAW.**

19 **(C) “FUND” MEANS THE DOMESTIC VIOLENCE SURVIVOR RESILIENCE**
20 **LOAN GUARANTEE FUND.**

21 **(D) “PROGRAM” MEANS THE DOMESTIC VIOLENCE SURVIVOR RESILIENCE**
22 **LOAN PROGRAM.**

23 **(E) “PROGRAM PARTICIPANT” MEANS AN INDIVIDUAL DESIGNATED AS A**
24 **PROGRAM PARTICIPANT UNDER THIS SUBTITLE.**

25 **7-402.**

26 **THE PURPOSE OF THE PROGRAM IS TO:**

27 **(1) ESTABLISH AN INDIVIDUAL’S ELIGIBILITY TO APPLY FOR A LOAN**
28 **ISSUED BY A FINANCIAL INSTITUTION UNDER TITLE 1, SUBTITLE 5 OF THE**
29 **FINANCIAL INSTITUTIONS ARTICLE; AND**

1 **(2) PROVIDE LOAN GUARANTEES.**

2 **7-403.**

3 **THE SECRETARY OF STATE SHALL ESTABLISH AND ADMINISTER THE**
4 **DOMESTIC VIOLENCE SURVIVOR RESILIENCE LOAN PROGRAM FOR SURVIVORS OF**
5 **DOMESTIC VIOLENCE.**

6 **7-404.**

7 **(A) ON OR AFTER JULY 1, 2023, AN INDIVIDUAL MAY APPLY TO**
8 **PARTICIPATE IN THE PROGRAM.**

9 **(B) AN APPLICATION TO PARTICIPATE IN THE PROGRAM SHALL BE IN THE**
10 **FORM REQUIRED BY THE SECRETARY OF STATE AND SHALL CONTAIN:**

11 **(1) A STATEMENT THAT:**

12 **(I) THE APPLICANT IS A SURVIVOR OF DOMESTIC VIOLENCE;**
13 **AND**

14 **(II) THE APPLICANT HAS STRUGGLED TO ACHIEVE FINANCIAL**
15 **SECURITY;**

16 **(2) EVIDENCE THAT THE APPLICANT IS ELIGIBLE FOR PROGRAM**
17 **PARTICIPATION, INCLUDING:**

18 **(I) CERTIFIED LAW ENFORCEMENT, COURT, OR OTHER**
19 **FEDERAL OR STATE AGENCY RECORDS OR FILES;**

20 **(II) DOCUMENTATION FROM A DOMESTIC VIOLENCE**
21 **PREVENTION OR ASSISTANCE PROGRAM;**

22 **(III) DOCUMENTATION FROM A RELIGIOUS, MEDICAL, OR OTHER**
23 **PROFESSIONAL FROM WHOM THE APPLICANT HAS SOUGHT ASSISTANCE OR**
24 **TREATMENT AS A SURVIVOR OF DOMESTIC VIOLENCE; OR**

25 **(IV) A STATEMENT FROM THE APPLICANT ABOUT THE**
26 **APPLICANT'S EXPERIENCE WITH DOMESTIC VIOLENCE;**

27 **(3) A STATEMENT ABOUT THE DIFFICULTIES THE APPLICANT HAS**
28 **FACED IN ACHIEVING FINANCIAL STABILITY;**

1 **(4) THE MAILING ADDRESS, E-MAIL ADDRESS, AND TELEPHONE**
2 **NUMBER WHERE THE APPLICANT MAY BE CONTACTED BY THE SECRETARY OF**
3 **STATE;**

4 **(5) A SWORN STATEMENT BY THE APPLICANT THAT, TO THE BEST OF**
5 **THE APPLICANT'S KNOWLEDGE, ALL THE INFORMATION CONTAINED IN THE**
6 **APPLICATION IS TRUE;**

7 **(6) THE SIGNATURE OF THE APPLICANT AND THE DATE WHEN THE**
8 **APPLICANT SIGNED THE APPLICATION;**

9 **(7) A VOLUNTARY RELEASE AND WAIVER OF ALL FUTURE CLAIMS**
10 **AGAINST THE STATE THAT MAY ARISE FROM PARTICIPATION IN THE PROGRAM**
11 **EXCEPT FOR A CLAIM BASED ON GROSS NEGLIGENCE; AND**

12 **(8) ANY OTHER RELEVANT INFORMATION THAT THE SECRETARY MAY**
13 **REQUIRE.**

14 **(C) ON THE FILING OF A PROPERLY COMPLETED APPLICATION AND**
15 **RELEASE, THE SECRETARY OF STATE SHALL:**

16 **(1) REVIEW THE APPLICATION AND RELEASE; AND**

17 **(2) IF THE APPLICATION AND RELEASE ARE PROPERLY COMPLETED**
18 **AND ACCURATE, DESIGNATE THE APPLICANT AS A PROGRAM PARTICIPANT.**

19 **7-405.**

20 **(A) IF AN APPLICANT FALSELY ATTESTS TO ANY INFORMATION IN THE**
21 **APPLICATION OR KNOWINGLY PROVIDES FALSE INFORMATION WHEN APPLYING FOR**
22 **PARTICIPATION IN THE PROGRAM, THE APPLICANT SHALL NO LONGER BE ALLOWED**
23 **TO PARTICIPATE IN THE PROGRAM.**

24 **(B) A PERSON MAY NOT KNOWINGLY MAKE A FALSE ATTESTATION OR**
25 **KNOWINGLY PROVIDE FALSE INFORMATION IN AN APPLICATION.**

26 **(C) A PERSON WHO VIOLATES SUBSECTION (B) OF THIS SECTION IS GUILTY**
27 **OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT**
28 **EXCEEDING 6 MONTHS OR A FINE NOT EXCEEDING \$500 OR BOTH.**

29 **7-406.**

30 **(A) ONCE AN APPLICATION IS APPROVED, A PROGRAM PARTICIPANT MAY**

1 CONTACT A FINANCIAL INSTITUTION TO APPLY FOR A LOAN UNDER TITLE 1,
2 SUBTITLE 5 OF THE FINANCIAL INSTITUTIONS ARTICLE.

3 (B) THE SECRETARY OF STATE SHALL PROVIDE A PROGRAM PARTICIPANT
4 WITH THE OPPORTUNITY TO PARTICIPATE IN FINANCIAL LITERACY PROGRAMMING.

5 7-407.

6 (A) A FINANCIAL INSTITUTION THAT IS SEEKING TO ISSUE A LOAN TO A
7 PROGRAM PARTICIPANT UNDER TITLE 1, SUBTITLE 5 OF THE FINANCIAL
8 INSTITUTIONS ARTICLE MAY APPLY TO THE SECRETARY OF STATE FOR A LOAN
9 GUARANTEE.

10 (B) SUBJECT TO THE AVAILABILITY OF FUNDS, THE SECRETARY OF STATE
11 MAY ISSUE A LOAN GUARANTEE TO A FINANCIAL INSTITUTION ON BEHALF OF A
12 PROGRAM PARTICIPANT IF THE FINANCIAL INSTITUTION COMPLIES WITH THE
13 REQUIREMENTS OF TITLE 1, SUBTITLE 5 OF THE FINANCIAL INSTITUTIONS
14 ARTICLE.

15 (C) A LOAN GUARANTEE UNDER THIS SUBTITLE MAY NOT EXCEED \$15,000
16 TO A SINGLE PROGRAM PARTICIPANT.

17 7-408.

18 (A) THERE IS A DOMESTIC VIOLENCE SURVIVOR RESILIENCE LOAN
19 GUARANTEE FUND.

20 (B) THE PURPOSE OF THE FUND IS TO PROVIDE LOAN GUARANTEES FOR
21 PROGRAM PARTICIPANTS WHO APPLY FOR AND RECEIVE LOANS UNDER TITLE 1,
22 SUBTITLE 5 OF THE FINANCIAL INSTITUTIONS ARTICLE.

23 (C) THE SECRETARY OF STATE SHALL ADMINISTER THE FUND.

24 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
25 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

26 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
27 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

28 (E) THE FUND CONSISTS OF:

29 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

1 **(2) INTEREST EARNINGS; AND**

2 **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
3 **THE BENEFIT OF THE FUND.**

4 **(F) THE FUND MAY BE USED ONLY TO:**

5 **(1) PROVIDE GUARANTEES FOR LOANS ISSUED UNDER TITLE 1,**
6 **SUBTITLE 5 OF THE FINANCIAL INSTITUTIONS ARTICLE; AND**

7 **(2) ADMINISTER THE FUND.**

8 **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
9 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

10 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
11 **THE FUND.**

12 **(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
13 **WITH THE STATE BUDGET.**

14 **7-409.**

15 **IN FISCAL YEAR 2024, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL**
16 **BUDGET BILL AN APPROPRIATION OF \$2,000,000 TO THE FUND.**

17 **7-410.**

18 **THE SECRETARY OF STATE, IN COORDINATION WITH THE COMMISSIONER OF**
19 **FINANCIAL REGULATION, SHALL ADOPT REGULATIONS TO CARRY OUT THIS**
20 **SUBTITLE.**

21 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**
22 **1, 2022.**