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**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND**

IN RE:

Debtor

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**Case No.
(Chapter)**

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**DEBTOR'S MOTION FOR LEAVE TO APPLY FOR AND RECEIVE FINANCIAL
ASSISTANCE FROM THE
MARYLAND HOMEOWNER ASSISTANCE FUND**

The Debtor, _____ hereby moves this Court to grant Debtor leave to apply for and receive financial assistance from the Homeowner Assistance Fund Program of the Department of Housing and Community Development of the State of Maryland. In support of this motion the Debtor states:

1. The Maryland Homeowner Assistance Fund ("MD-HAF") Program provides financial assistance to debtors in the form of grants and loans. The funding for these grants and loans is made available through a grant from the United States Department of the Treasury to the State of Maryland.

2. MD-HAF grants and loans are designed to assist homeowners that have fallen behind on their mortgage and other housing-related expenses due to the economic impact of the COVID-19 pandemic. The funds can be provided simultaneously with a loan modification of a first mortgage to help reach an affordable payment.
3. MD-HAF grants do not result in any new debt or obligations imposed by the Department of Housing and Community Development (except in the event of a default under the grant agreement). They are awarded to homeowners to assist with payments on first mortgages, taxes, insurance, and other housing-related expenses.
4. MD-HAF loans do not result in any monthly payment obligation. They are zero-interest secured loans that are only repaid upon sale or transfer of the home, or as is described in paragraph 5. Upon sale of the home, 50% of the net proceeds of the sale, up to a maximum of the original loan amount, are paid to the MD-HAF loan balance. If there are no net proceeds from the sale of the home, or if 50% of the available net proceeds are not equal to or greater than the original loan amount, the remainder of the MD-HAF loan is forgiven.
5. Events of default for a MD-HAF loan, which would trigger repayment, include: (i) failure to occupy the property as borrower's principal residence (ii) the sale or transfer of any interest in the property without prior written consent of the Department of Housing and Community Development; or (iii) submission of false or misleading information to the Department of Housing and Community Development.
6. Because MD-HAF grants and loans do not require any monthly payments, obtaining financial assistance through the MD-HAF Program should not result in additional monthly expenses for the Debtor.
7. The Department of Housing and Community Development has requested that applicants with active bankruptcy cases obtain leave of this Court before applying for and receiving any MD-HAF grant or loan.
8. Granting this motion should not cause harm to creditors, as the goal of the MD-HAF Program is to create a long-term sustainable and affordable mortgage solution. Further, as is described above, no new debt obligation is created, and homeowners experience less risk because payments are made to creditors such as superior lien holders and taxing authorities.

WHEREFORE, the Debtor requests that this Court grant Debtor leave to apply for and receive, if eligible, a MD-HAF loan or grant from the Department of Housing and Community Development of the State of Maryland.

Respectfully Submitted,

Name

Address

Phone Number

Date

CERTIFICATE OF SERVICE

*****CONSULT WITH AN ATTORNEY AND/OR THE FEDERAL AND LOCAL RULES FOR INFORMATION ABOUT PROVIDING A CERTIFICATE OF SERVICE WITH THIS FILING.*****