

Annie McKnight
National Coalition Against Predatory Lending
LD 1901

Good afternoon. Thank you for holding a hearing on LD 1901 and inviting the National Coalition Against Predatory Lending membership to this hearing. My name is Annie McKnight, and I am a resident of Massachusetts. Since 2019, homeowners across Massachusetts and I have joined together to form the National Coalition Against Predatory Lending, raising awareness of predatory lending practices in Massachusetts and across the country. I write this testimony to support Maine residents in not becoming victims of share appreciation mortgages that have a devastating impact perpetrated by Blue Hub in Massachusetts. This predatory lender violates many consumer and housing laws and regulations.

Blue Hub's shared appreciation mortgages, while presented as a lifeline to those facing foreclosure, come with hidden terms that are not adequately disclosed. These terms can result in homeowners unknowingly forfeiting significant portions of their home equity, leaving them locked into high-interest mortgages and trapped in a cycle of financial hardship. In my case, I believed I was being rescued from foreclosure, only to discover two years later when I attempted to refinance my home, that I had signed up for a second mortgage that claims 47% of my home's appreciated value, which depending on the market could amount to a loss of \$200,000 to \$400,000 of the equity in my house. This personal impact underscores the urgent need for transparency and accountability in lending practices, not some scheme to line the lender's pockets.

I strongly support the Main LD 1901. This legislation protects vulnerable homeowners from deceptive mortgage agreements that strip them of their hard-earned equity and financial stability. I urge lawmakers to pass this bill as soon as possible and protect the rights of Maine residents. Considering the economic losses, emotional strain, and victimization, my share appreciation mortgage has brought me and my family. You must safeguard homeowners from such exploitation and prioritize your voters' and homeowners' interests. The passage of LD1901 is essential, and your support will combat predatory lending practices, thereby protecting homeowners from sharecropping practices in Maine and across the country.