

# NATIONAL COMMITTEE AGAINST PREDATORY LENDING

## An Act to Regulate Shared Appreciation Agreements Relating to Residential Property

May 14, 2025

Committee Members of Healthcare Coverage, Insurance, and Financial Services

On behalf of the members of the National Coalition Against Predatory Lending (NCAPL), I submit this letter to support An Act to Regulate Shared Appreciation Agreement Relating to Residential Property. This proposed bill will undoubtedly prevent lenders from taking advantage of homeowners. Additionally, the regulations would put in place long-term protections against predatory lenders. The bill allows for the ability to build equity with a homeowner's largest investment in their lifetime.

As victims turned advocates against a lender who uses Shared Appreciation Mortgages, NCAPL supports strong measures regulating the implementation of Shared Appreciation Agreements for borrowers. Shady lenders of Shared Appreciation Mortgages target cash-poor but equity-rich homeowners. A simple refinance transaction from a shady lender using Shared Appreciation is unwittingly signing a deal with the devil. The proposed bill will cut off this destructive course, and Mainers will greatly benefit from this legislation.

According to ATTOM (May 2025), the states with the highest rates of equity-rich homeowners included Vermont (85.8%), New Hampshire (60.5%), Rhode Island (59.8%), Montana (59.4%), and Maine (58.9%). Maine is home to many older adults, low-income homeowners, and has a low housing inventory, and residents are struggling with rising living costs. The introduction of Shared Appreciation Mortgages regulation will close the gap between the haves and the have-nots. Maine will not risk soft displacement affecting your citizens and future generations.

NCAPL is a coalition of homeowners from BlueHub Capital's Stabilizing Urban Neighborhood (SUN) program. The majority of our members are blue-collar, low-income, and vary in age above 50 years old. We reside in the states of Massachusetts, Maryland, Illinois, Rhode Island, and New Jersey. Many of our SAM's range from 32%, 42%, 50%, 69% as high as 75%. Our mission is to empower individuals to resist and challenge predatory lenders. We focus on advocating in communities that are often targets of unfair lending practices.

NCAPL presents this letter in strong support of An Act Regulating Shared Appreciation Agreements, along with any definitions, distinctions, and implementations of regulating Shared Appreciation Agreements. Practically speaking, Shared Appreciation Mortgages cannot be used as a cash cow for predatory lenders. There is a new kind of "social greed" that is being disguised and peddled, but it is the vulnerable homeowner who ends up on the short end of the deal. NCAPL supports regulation that sends a clear message that predatory lending through Shared Appreciation will not be tolerated in Maine. NCAPL will support and partner with any agency committed to putting in place guardrails for any policy that serves the public good and protects the rights to homeownership.

Respectfully submitted,

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