



Maryland HB 809/SB975

Property Tax Exemption

Disabled Veteran, Active Duty, and Surviving Spouse

Allowing 100% Permanent and Total Disabled Veterans to apply for real estate tax exemption **prior to taking ownership of a home** would increase homeownership among disabled Veterans and increase their buying power by tens, if not hundreds, of thousands of dollars.

At A Glance

- AIME advocates for 65,000+ independent mortgage professionals
- As local mortgage experts, supporting Veterans in local communities is what our members do best
- \$6,000/year in Real Estate Taxes equates to more than \$100,000 in buying power on a VA Mortgage

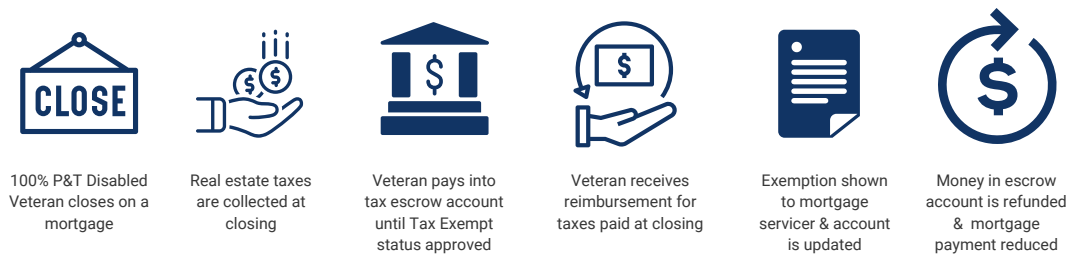
AIME's Advocacy

- President of Advocacy, Brendan McKay, co-authored this bill
- AIME testified to the Ways & Means Committee in support of this Bill
- Due to AIME's advocacy, this bill was signed into Maryland law on April 21, 2022

Current Law

Military Veterans who have a 100% Permanent and Total Disability Rating are eligible for total exemption from Maryland real estate taxes. They can apply for this exemption any time **after** taking ownership of the home.

How Things Work



This process takes 2-4 months from start to finish.

The Problem

Because Veterans cannot apply for this exemption **until after closing on the home**, Mortgage Underwriters are required to count the real estate taxes **against** the Veteran when qualifying their Debt to Income Ratio (DTI).



DTI is the primary calculation that determines how much of a mortgage a Veteran borrower qualifies for.

Veterans are having to pay thousands of dollars **upfront** at closing towards an escrow account that will **simply be refunded back** once their tax-exempt status is approved.

The Solution

- Allow 100% Disabled Veterans to apply for the property tax exemption **prior** to taking ownership of the home.
- Provide **written verification of their exemption status** allowing Underwriters to ignore real estate taxes in the DTI Calculation.