Jose Santos Benavides was a living Horatio Alger story. Until if all fell apart. Benavides, a Salvadoran immigrant, worked as a self-employed landscaper, saving for years until he had $15,000 that he could use as a downpayment for a four-bedroom home in Rockville. He was earning nearly six figures. A year later, as the economy soured and work dried up, Benavides lost his home in foreclosure. Benavides, his wife, and their two children moved to a cramped, two-bedroom apartment. He tried to put the nightmare behind him and rebuild his life.

Three years later, Benavides learned that the lender wanted to collect the difference between his mortgage in Rockville and what the house sold for in foreclosure. This difference -- called a deficiency -- amounted to more than $115,000, $95,000 for the debt and another $21,000 for the $19 a day interest rate the lender was charging.

It may seem crazy that lenders can pursue individuals for debt once the bank has sold the house and is collecting payments from someone else. What's even crazier is how long Maryland law allows the banks to wait before they decide to pursues.

Twelve years. That's right. Banks can wait 12 years before they decide whether to collect this debt. In the meantime, most homeowners are unaware that this is hanging over their heads. And the interest keeps growing -- at a median rate of $310 per month -- rapidly increasing the amount the individual owes the lender.

Maryland has one of the longest timelines for collecting deficiencies in the nation. In addition to the 12 years lenders have to decide whether to collect the debt, they have another 12 years to collect, and a one-time renewal of another 12 years **for a total of 36 years**. That's right-lenders have **36 years** to pursue a home owner to collect a debt on a home that the individual lost years ago and the bank sold to someone else.

Other states handle deficiencies differently. **More than 10 states bar the collection of deficiency judgements. Twelve states require that a deficiency judgement be brought within three months of a foreclosure sale** and Illinois, Kansas, and South Carolina require that the deficiency be sought at the time of the foreclosure.

If Jose Santos Benavides had lived in a state where banks had to file for a deficiency judgement within six months of foreclosure, he could have acted right away to work out a payment plan with the bank or to file for bankruptcy. The $21,000 in interest charges would never have been added to his debt, and he could have taken the hit to his finances and his credit all at once, and started the process of rebuilding his financial life and his assets right away.

Instead, in November 2012, more than three years after he lost his home to foreclosure, Benavides got a legal notice saying that debt collectors were coming after him for more than $115,000 owed on his former home and giving him 30 days to respond. He filed for bankruptcy five days before Christmas in 2012, and now, several years after losing his home, he has to start rebuilding his financial life assets all over again.

Maryland needs to update its law to protect former homeowners while ensuring banks have the opportunity to pursue these debts. A bill in the General Assembly (HB 274) will reduce the timeline banks have to file for a deficiency from 12 years to 6 month.

If you agree that 12 years is too long-contact your legislators and tell them that you support efforts to reduce the timeline to 6 months.