



House Bill 19 – Residential Real Estate Transactions – Escrow Agents and Trust Money

Position: Support

Maryland REALTORS® supports HB 19 which seeks to clarify the law passed two years ago regarding the holding of escrow money in residential real estate transactions.

In 2019, the Legislature passed legislation, HB 222, to require a consumer notice when a title company or attorney holds escrow money for a residential real estate transaction. Real Estate Brokers, who also hold escrow money, had already been subject to a very detailed regulatory process and oversight over their handling of escrow money. While HB 222 did not provide as detailed a process for non-licensees (real estate), it at least established a disclosure so that consumers would understand how their escrow money would be handled – particularly in cases when a dispute arose.

HB 19 doesn't change the intent of the original law but seeks to clarify that the bill applies only to escrow money held for deposit on a home purchase. At times, escrow agents may hold other deposits (like money to fix the furnace) and those other escrows not involving deposits shouldn't be subject to the notice law.

The Maryland REALTORS® believes HB 19 provides important clarity and recommends a favorable report.

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